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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2023-11-02

Commission de Surveillance du Secteur Financier

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# DECALIA SICAV

in abbreviation DECALIA

*Société d'investissement à capital variable*

(a Luxembourg domiciled open-ended investment company)

**P R O S P E C T U S**

**NOVEMBER 2023**

## 1. IMPORTANT INFORMATION

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This Prospectus should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to therein.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Registrar and Transfer Agent. Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Investors wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the tax consequences of any transaction in Shares.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

The Registrar and Transfer Agent shall not divulge any confidential information concerning the Investor unless required to do so by law or regulation. The Investor agrees that personal details contained in the application form and arising from the business relationship with the Registrar and Transfer Agent may be stored, modified or used in any other way by the Registrar and Transfer Agent for the purpose of administering and developing the business relationship with the Investor. To this end data may be transmitted to companies being appointed by the Registrar and Transfer Agent to support the business relationship (e.g. external processing centres, despatch or paying agents).

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

The Registrar and Transfer Agent may use telephone recording procedures to record any conversation. Investors are deemed to consent to the tape-recording of conversations with the Registrar and Transfer Agent and to the use of such tape recordings by the Registrar and Transfer Agent and/or the Company in legal proceedings or otherwise at their discretion.

**The price of Shares in the Company and the income from them may go down as well as up and an Investor may not get back the amount invested.**

## 2. RESTRICTIONS APPLYING TO US INVESTORS

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The Company has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the United States of America and such Shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws.

The Shares of the Company may not be offered or sold within the United States or to or for the account of any

US Person as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to Investors other than individuals, (i) a corporation or partnership organized or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term “US Person” also means any entity organized principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non- US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, unless it is formed and owned by “accredited investors” (as defined in Rule 501 (a) under the Securities Act of 1933) who are not natural persons, estates or trusts.

“United States” means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

If you are in any doubt as to your status, you should consult your financial or other professional adviser.

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### 3. MANAGEMENT AND ADMINISTRATION

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<b>Management Company:</b>	FundPartner Solutions (Europe) S.A. 15 avenue J.F. Kennedy L-1855 Luxembourg
<b>Registered Office of Decalia SICAV (« the Company »):</b>	15 avenue J.F. Kennedy L-1855 Luxembourg
<b>Board of Directors of the Company:</b>	<ol style="list-style-type: none"><li>1. Mr. Xavier Guillon (Chairman) Partner, head of Decalia Funds and Business Development DECALIA S.A.</li><li>2. Mr. Massimo Paolo Gentili Managing Director Gentili &amp; Partners S.à r.l.</li><li>3. Mr. Gian Carlo Grassini Managing Director Decalia Asset Management SIM SpA</li><li>4. Mrs. Lidia Palumbo Independent Director</li><li>5. Mr. Francesco Figliomeni Senior Portfolio Manager DECALIA S.A.</li></ol>
<b>Depository Bank:</b>	Bank Pictet & Cie (Europe) A.G., Luxembourg Branch 15A avenue J.F. Kennedy, L-1855 Luxembourg
<b>Central administration Agent:</b>	FundPartner Solutions (Europe) S.A. 15 avenue J.F. Kennedy, L-1855 Luxembourg
<b>Investment Manager:</b>	DECALIA S.A. 31 rue du Rhône CH-1204 Geneva Switzerland
<b>Global Distributor:</b>	DECALIA S.A. 31 rue du Rhône CH-1204 Geneva Switzerland
<b>Auditors:</b>	PricewaterhouseCoopers 2 Rue Gerhard Mercator L-2182 Luxembourg

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#### 4. DEFINITIONS

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<b>“Accumulation Share”</b>	a Share which accumulates the income arising in respect of a Share so that it is reflected in the price of that Share
<b>“Articles”</b>	the Articles of Association of the Company as amended from time to time
<b>“Auditor”</b>	the Auditors of the Company, namely PricewaterhouseCoopers
<b>“Base Currency”</b>	the currency of denomination of a Sub-Fund as stated in Appendix I
<b>“Benchmark Regulation”</b>	Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds
<b>“Buy-sell back transaction” or “Sell-buy back transaction”</b>	a transaction 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 within the meaning of a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;
<b>“Business Day”</b>	every day on which banks are normally open for business in Luxembourg, or such other day as the Directors may decide from time to time
<b>“Cash Equivalent”</b>	Bank term deposits, money market instruments, money market UCITS and/or other UCIs or, any other financial instruments that are highly liquid assets and that can be easily converted into cash, excluding cash at sight.
<b>“Central Administration Agent”</b>	FundPartner Solutions (Europe) S.A. under its general appointment as Management Company
<b>“Company”</b>	DECALIA SICAV or DECALIA
<b>“Depository Bank”</b>	Bank Pictet & Cie (Europe) A.G., Luxembourg Branch
<b>“Dealing Day”</b>	a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the relevant Share Class or of the net asset value of the relevant Sub-Fund (unless stated otherwise in this Prospectus) and such other day as the Directors may decide from time to time

<b>“Directors”</b>	the Board of Directors of the Company
<b>“Distribution Share”</b>	a Share which distributes its income
<b>“EEA”</b>	the European Economic Area
<b>“Enlarged Asset Pool”</b>	cash or other assets from certain Sub-Funds that will be managed in common
<b>“EU”</b>	the European Union
<b>“ESG”</b>	Environmental, social and governance aspects
<b>“Global Distributor”</b>	DECALIA S.A. as the appointed global distributor of the Sub-Funds
<b>“Invariable Features”</b>	the predefined features of a Share Class that must be implemented at launch time and that remain unchanged as further described in Section 8.3 “Share Classes”
<b>“Investor”</b>	a subscriber for Shares
<b>“2010 Law”</b>	Law of 17th December 2010 regarding collective investment undertakings
<b>“Management Company”</b>	FundPartner Solutions (Europe) S.A., as the appointed management company of DECALIA SICAV
<b>“Member State”</b>	a State member of the European Union
<b>“Mémorial”</b>	Mémorial C, Recueil des Sociétés et Associations of Luxembourg which was replaced by the Recueil Electronique des Sociétés et Associations (RESA) on 1st June 2016.
<b>“MiFID II Delegate Directive”</b>	COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits
<b>“Net Asset Value per Share”</b>	the value per Share of any Share Class determined in accordance with the relevant provisions described under the heading “Calculation of Net Asset Value” as set out in the Prospectus
<b>“Other Regulated Market”</b>	a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed in current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public

<b>“Other State”</b>	any State of Europe which is not a Member State and any State of America, Africa, Asia, Australia and Oceania and, as appropriate, of the OECD (“Organisation for Economic Cooperation and Development”)
<b>“Participating Funds”</b>	Sub-Funds that may be managed on a pooled basis
<b>“Prospectus”</b>	the present prospectus dated December 21, 2015, as may be amended from time to time
<b>“Reference Currency”</b>	The currency in which the Net Asset Value per Share of a Share Class is calculated
<b>“Registrar and Transfer Agent”</b>	FundPartner Solutions (Europe) S.A. under its general appointment as Management Company
<b>“Regulated Markets”</b>	a regulated market as defined by Council Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 , i.e. a market registered in the list of regulated markets established by each Member State, that functions normally, characterised by the fact that the provisions established or approved by the competent authorities define its conditions of functioning, its conditions of access as well as the conditions to fulfil by the financial instruments in order to be effectively traded, imposing respect of all obligations for disclosure and transparency prescribed by the Directive. The list of Regulated Markets as published in the Official Journal of the European Communities is available at the following address: <a href="http://www.europa.int/comm/internal_market/en/finances/mobil/isd/index.htm">http://www.europa.int/comm/internal_market/en/finances/mobil/isd/index.htm</a> .
<b>“Regulatory Authority”</b>	the <i>Commission de Surveillance du Secteur Financier</i> or its successor.
<b>“Repurchase agreement transaction”</b>	a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;
<b>“Securities lending” or “Securities borrowing”</b>	a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
<b>SFDR Regulation</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
<b>“SFTs”</b>	securities financing transactions
<b>“SFTR Regulation”</b>	the Regulation UE 2015/2365 on transparency of securities financing transactions and of reuse

<b>“Share”</b>	share(s) of no-par value in any one Share Class in the capital of the Company
<b>“Share Class ”</b>	a class of shares issued by the Company with a specific fee structure, currency of denomination, distribution and hedging policy or other features specific to the Share Class.
<b>“Sub-Fund”</b>	a specific portfolio of assets and liabilities within the Company having its own net asset value and represented by one or more Share Classes.
<b>“Taxonomy Regulation”</b>	regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.
<b>“TRS”</b>	total return swap, i.e., a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 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.
<b>“UCITS”</b>	an undertaking for collective investment in transferable securities authorised according to Council Directive 2009/65/EC of 13 July 2009, as amended from time to time.
<b>“UCITS Directive”</b>	Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended from time to time
<b>“Units”</b>	notional units of equal value in an Enlarged Asset Pool
<b>“Valuation Day”</b>	each Business Day on which the net asset value is priced, as specified in Appendix I for the relevant Sub-Fund.
<b>“Variable Features”</b>	the features that may be added to the predefined type of Invariable Features of a Share Class as further described in section Section 8.3 “Share Classes”

All references herein to time are to Luxembourg time unless otherwise indicated. Words importing the singular shall, where the context permits, include the plural and vice versa.

## 5. LEGAL STATUS

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DECALIA SICAV, in abbreviation DECALIA (the “Company”) is an open-ended investment company of the umbrella type organised as a “société anonyme” under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d’Investissement à Capital Variable (“SICAV”) under Part I of the Luxembourg law of December 17, 2010 (the “2010 Law”) regarding collective investment undertakings, whose object is to invest in transferable securities under the principle of risk spreading in accordance with, and as more fully described in, its Articles and the Prospectus.

The Company was incorporated for an indefinite period on December 9, 2015. Its articles of incorporation have been published in the official gazette Mémorial on December 23, 2015.

The Company is registered at the Trade and Companies Register of Luxembourg under the number B 202361.

The Company's capital shall at all times be equal to the value of its total net assets. The minimum capital required by law is EUR 1,250,000, which will be achieved within 6 months as of launch.

## 6. OBJECTIVES AND STRUCTURE

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The exclusive objective of the Company is to place the Company’ funds available to it in transferable securities and other permitted assets of any kind with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios, by offering them access to a world-wide selection of markets and a variety of investment techniques via a range of Sub-Funds catering for many different investment objectives.

The specific investment objective and policy of each Sub-Fund is described in Appendix I.

The investments of each Sub-Fund shall at any time comply with the restrictions set out herein, and Investors should, prior to any investment being made, take due account of the risks of investments set out herein. Save aforesaid restrictions, the selection of securities and other authorised assets that make up the portfolio of the various Sub-Funds will not be limited as regards geographical area or economic consideration, nor as regards the type of investment of assets.

As of the time of issue of this Prospectus, the Shares are not listed on the Luxembourg Stock Exchange. However, the Directors may decide to make an application to list such or other Shares on the Luxembourg or any other recognised stock exchange.

A list of those Sub-Funds in existence at the time of this Prospectus, together with a description of their investment objective and policy and main features, is attached as Appendix I to this Prospectus. This list forms an integral part of this Prospectus. The Directors may decide to create one or several additional Sub-Funds at any time. Upon creation of such a Sub-Fund, the list contained in the present Prospectus will be updated accordingly.

## 7. ORGANISATION OF MANAGEMENT AND ADMINISTRATION

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### *7.1 Management Company*

Although the Company’s Directors are legally the ultimately responsible entity for managing the Company, the monitoring of the Company’s operations as well as specifying and implementing the investment policy of the Company and of the different Sub-Funds is entrusted to **FundPartner Solutions (Europe) S.A.**, as the appointed Management Company since the Company’s inception.

The Management Company is in charge of the daily management of the Company and its Sub-Funds and has to ensure that the various service providers to whom the Management Company has delegated certain functions (including the functions of investment management and marketing) carry out their duties in compliance with the provisions of the Law of 2010 relating to undertakings for collective investment, the Company's Articles, the Prospectus as well as the various material contracts and agreements establishing and governing their relation with the Company. The Management Company will further ensure that an appropriate risk management process is used.

The service providers appointed by the Management Company have to produce reports on a regular basis to the Management Company. Any event deemed important by the Management Company will be reported to the Company's Board of Directors.

FundPartner Solutions (Europe) S.A. as the Company's Management Company also takes care of the functions of Registrar and Transfer Agent, Administrative Agent, Paying Agent and Domiciliary Agent under the terms of the Management Company Services Agreement entered for an indefinite period, which may be terminated by either party, subject to 3 months' prior notification.

FundPartner Solutions (Europe) S.A. was incorporated as a société anonyme (limited company) under Luxembourg law for an indefinite period on 17 July 2008, under the former denomination Funds Management Company S.A.

As keeper of the register and transfer agent, FundPartner Solutions (Europe) S.A. is primarily responsible for ensuring the issue, conversion and redemption of shares and maintaining the register of shareholders of the Company.

As administrative agent and paying agent, FundPartner Solutions (Europe) S.A. is responsible for calculating and publishing the net asset value of the shares of each Sub-Fund pursuant to the Law and the Articles of Association of the Company and for performing administrative and accounting services for the Company as necessary.

As domiciliary agent, FundPartner Solutions (Europe) S.A. is primarily responsible for receiving and keeping safely any and all notices, correspondence, telephonic advice or other representations and communications received for the account of the Company, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Company.

In accordance with the Directive 2014/91/EU of 23 July 2014 on UCITS as regards depositary functions, remuneration policies and sanctions ("UCITS V Directive"), the Management Company has established and implemented a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Company nor impair compliance with the Management Company's duty to act in the best interest of the Company and its investors.

The remuneration policy of the Management Company is in line with the business strategy, objectives, values and interests of the Management Company and the other UCITS that it manages or the investors of such UCITS and includes measures to avoid conflicts of interest.

The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the Management Company in order to ensure that the assessment process is based on longer term performance and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The Management Company also ensures that the fixed and variable component of the remuneration are appropriately balanced and that the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration component, including the possibility to pay no variable remuneration component.

Details of the remuneration policy, including the persons in charge of determining the fixed and variable remunerations of the staff, a description of the key remuneration elements and an overview of how remuneration

is determined, is available on the website [www.group.pictet/fps](http://www.group.pictet/fps).

A paper copy of the policy is available directly at the registered office of the Management Company and is made available free of charge upon request.

## **7.2 Investment Manager**

The Management Company has further appointed **DECALIA S.A.** as investment manager of the various Sub-Funds of the Company (the “Investment Manager “), as set out in more details in each Sub- Fund’s relevant appendix.

DECALIA S.A. was incorporated as a société anonyme (limited company) under Swiss law for an indefinite period on March 13, 2013. The Investment Manager is supervised by the Swiss Financial Market Supervisory Authority (FINMA) since May 8, 2015.

Under the terms of the Investment Management Agreement, DECALIA S.A. has been appointed for an indefinite period to act as Investment Manager of the Sub-Funds’ portfolios. This agreement may be terminated by either party by 90 days' written notice.

In accordance with article 110 paragraph (1) (g) of the law of 17 December 2010, the Investment Management Agreement provides that (i) it may also be terminated by the Management Company immediately by written notice to the other party where such termination is justified by the interests of the shareholders of the fund and that (ii) the delegation shall not prevent the Management Company from giving at any time further instructions to the Investment Manager or from withdrawing the mandate with immediate effect when this is in the interests of investor.

The Investment Manager will be managing on a daily basis the relevant Sub-Funds’ portfolios with the responsibility of making specific investment choices on behalf of the Company within the framework of allocation criteria given from time to time by the Management Company or the Board of Directors.

### ***Inducement in relation to research:***

The Investment Manager may receive research by using a Research Payment Account (herein referred to as the “RPA”) in accordance with article 13 of the MiFID II Delegate Directive.

The RPA shall be controlled by the Investment Manager and the following conditions relating to the operation of the account shall be met:

- a) the research payment account shall be funded by a specific research charge to the Company. This specific research charge shall:
  - i. only be based on a research budget set by the Investment Manager for the purpose of establishing the need for third party research in respect of investment services rendered to the Company; and
  - ii. not be linked to the volume and/or value of transactions executed on behalf of the Company.
- b) as part of establishing a research payment account and agreeing the research charges with the Board of Directors of the Company, the Investment Manager shall set and regularly assess a research budget as an internal administrative measure; the research budget shall be managed solely by the Investment Manager and shall be based on a reasonable assessment of the need for third party research. The allocation of the research budget shall be subject to appropriate controls and senior management oversight to ensure it is managed and used in the best interests of the Company and its investors. Those controls include a clear audit trail of payments made to research providers and how the amounts paid were determined with reference to the quality criteria defined in subparagraph d).
- c) the Investment Manager shall be responsible for the research payment account, nonetheless, the Investment Manager may delegate the administration of the research payment account to a third party, provided that the arrangement facilitates the purchase of third-party research and payments to research providers in the name of the Investment Manager without any undue delay in accordance with the Investment Manager’s instruction.

- d) the Investment Manager shall regularly assess the quality of the research purchased based on robust quality criteria and its ability to contribute to better investment decisions. The Investment Manager shall establish all necessary elements in a written policy and provide it to the Company and to the Management Company. It shall also address the extent to which research purchased through the research payment account may benefit the Sub-Funds' portfolios, including, where relevant, by taking into account investment strategies applicable to various types of portfolios, and the approach the Investment Manager will take to allocate such costs fairly to the various Sub-Funds' portfolios.

The Investment Manager shall provide the following information to the Company and the Management Company:

- information about the budgeted amount for research and the amount of the estimated research charge for the Company;
- annual information on the costs it incurred for third party research.

Upon request by the Company, the Management Company or by the CSSF, the Investment Manager shall provide a summary of the providers paid from this account, the total amount they were paid over a defined period, the benefits and services received by it, and how the total amount spent from the account compares to the budget set for that period, noting any rebate or carry-over if residual funds remain in the account.

The total amount of research charges received may not exceed the research budget.

The Investment Manager shall not use the research budget and research payment account to fund internal research.

The Investment Manager shall agree with the Board of Directors of the Company the research charge as budgeted by and the frequency with which the specific research charge will be deducted from the resources of the Company over the year. Increases in the research budget shall only take place after the provision of clear information to the Company and to the Management Company about such intended increases. If there is a surplus in the research payment account at the end of a period, the Investment Manager should have a process to rebate those funds to the Company or to offset it against the research budget and charge calculated for the following period.

### ***7.3 Depositary Bank***

Bank Pictet & Cie (Europe) A.G., Luxembourg Branch has been designated as Depositary Bank for the Company pursuant to a Depositary Bank agreement entered into for an indefinite period.

Bank Pictet & Cie (Europe) A.G., Luxembourg Branch is a credit institution established in Luxembourg, whose registered office is situated at 15A, Avenue J.F. Kennedy, L-1855 Luxembourg, and which is registered with the Luxembourg register of commerce and companies under number B 277879. It is a Luxembourg branch of a German bank under the control of BAFIN. The Luxembourg entity is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

On behalf of and in the interests of the Company's shareholders, as depositary agent (hereinafter the "Depositary Bank"), Bank Pictet & Cie (Europe) A.G., Luxembourg Branch is responsible for (i) the safekeeping of cash and securities comprising the Company's assets, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the Depositary Agreement.

#### ***Duties of the Depositary Bank:***

The Depositary Bank is entrusted with the safekeeping of the Company's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary Bank or, to the extent permitted by applicable laws and regulations, through other credit institutions or financial intermediaries acting as its correspondents, sub-custodian banks, nominees, agents, or delegates. The Depositary Bank also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Company has been booked in the cash account in the name of (i) the Company, (ii) the Management Company on behalf of the Company or (iii) the Depositary Bank on behalf of the Company.

The Depository Bank must notably:

- a) perform all operations concerning the day-to-day administration of the Company's securities and liquid assets, e.g. pay for securities acquired against delivery, deliver securities sold against collection of their price, collect dividends and coupons and exercise subscription and allocation rights;
- b) ensure that the value of the Shares of the Company is calculated in accordance with Luxembourg law and the Articles of Association;
- c) carry out the instructions of the Company, unless they conflict with Luxembourg law or the Articles of Association;
- d) ensure that proceeds are remitted within the usual time limits for transactions relating to the Company's assets;
- e) ensure that shares are sold, issued, redeemed and cancelled by the Company or on its behalf in accordance with Luxembourg law in force and the Company's Articles of Association;
- f) ensure that the Company's income is allocated in accordance with Luxembourg law and the Articles of Association.

The Depository may delegate its safekeeping duties with respect to the Fund's financial instrument held in custody or any other assets (except for the cash) in accordance with the UCITS Directive, the UCITS-CDR and applicable law.

An up-to-date list of the delegates (and sub-delegates) of the Depository is available on the website: <https://www.pictet.com/ch/en/asset-services/safekeeping-delegates-sub-custodians>.

A paper copy of the list of the delegates is available directly at the registered office of the Depository Bank and is made available free of charge upon request.

The Depository Bank regularly provides the Company and its Management Company with a complete inventory of all assets of the Company.

Pursuant to the provisions of Article 34bis of the 2010 Law and of the Depository Bank Agreement, the Depository Bank may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safekeeping duties over the Company's assets set out in Article 34(3) of the 2010 Law, to one or more third-party delegates appointed by the Depository Bank from time to time.

The Depository Bank shall exercise care and diligence in choosing and appointing the third-party delegates so as to ensure that each third-party delegate has and maintains the required expertise and competence. The Depository Bank shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged. The fees of any third-party delegate appointed by the Depository Bank shall be paid by the Company.

The liability of the Depository Bank shall not be affected by the fact that it has entrusted all or some of the Company's assets in its safekeeping to such third-party delegates.

In case of a loss of a financial instrument held in custody, the Depository Bank shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay, except if such loss results from an external event beyond the Depository Bank's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

An up-to-date list of the appointed third-party delegates is available on the Pictet.com website.

In carrying out its functions, the Depository Bank shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the investors of the Company.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depository Bank and/or its affiliates of other services to the Company, the Management Company and/or other parties. For

example, the Depository Bank and/or its affiliates may act as the custodian and/or administrator of other funds. It is therefore possible that the Depository Bank (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depository Bank (or any of its affiliates) acts.

Where a conflict or potential conflict of interest arises, the Depository Bank will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Bank Pictet & Cie (Europe) A.G., Luxembourg Branch's custodian functions from its other potentially conflicting tasks and by the Depository Bank adhering to its own conflicts of interest policy.

The Depository Bank or the Company may terminate the Depository Bank's duties at any time, by giving at least three months' written notice to the other party; provided, however, that any decision by the Company to end the Depository Bank's appointment is subject to another depository bank taking on the duties and responsibilities of the Depository Bank as defined in the Articles of Association, and provided further that, if the Company terminates the Depository Bank's duties, the Depository Bank will continue to perform its duties until the Depository Bank has been relieved of all the Company's assets that it held or had arranged to be held on behalf of the Company. Should the Depository Bank itself give notice to terminate the contract, the Company will be required to appoint a new depository bank to take over the duties and responsibilities of the Depository Bank as set out in the Articles of Association; provided, however, that, as of the date when the notice of termination expires and until a new depository bank is appointed by the Company, the Depository Bank will only be required to take any necessary measures to safeguard the best interests of shareholders.

Up-to-date information regarding the description of the Depository Bank's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depository Bank, the list of third-party delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Company's registered office.

The Depository Bank is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Company's net assets and paid on a quarterly basis.

#### ***7.4 Global Distributor***

The Management Company has appointed, at the request and with the consent of the Company, **DECALIA S.A.** (the Global Distributor) as global distributor of the Sub-Funds to provide coordination services for all the local distributors of the Shares of the relevant Sub-Fund(s).

The Global Distributor is entitled to distribute the Shares of the Sub-Funds directly and/or indirectly. The Global Distributor is entitled to agree investment contracts with any professional intermediary.

A copy of the various agreements between the Company, the Management Company, the Global Distributor, the intermediaries are available at the registered office of the Company as well as at the registered office of the intermediaries.

Shareholders may subscribe by applying directly to the Company without having to pass through the Global Distributor or its intermediaries.

#### ***7.5 Statutory Auditors***

The auditing has been entrusted to PricewaterhouseCoopers.

## **8. RIGHTS OF THE SHAREHOLDERS**

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### ***8.1 Shares***

The Shares in each Sub-Fund are only issued in registered form, with no par value and fully paid-up. Shares may be issued in fractions up to two decimal places. All owners of Shares will have their names entered into the Shareholders' register which will be held at the Company's registered office. No certificates will be issued and Shareholders will only receive a confirmation that their names have been recorded in the Shareholders' register. Shares may also be held and transferred through accounts maintained with clearing systems.

Shares repurchased by the Company may be cancelled.

All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Sub-Fund and Share Class to which they pertain. The Shares carry no preferential and pre-emptive rights.

Each Share gives right to one vote. Fractions of Shares do not, however, possess voting rights. In the case of a joint holding, only the first named Shareholder may vote.

The Management Company or the Board of Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under the laws and regulations of any country or authority. The Management Company may in this connection require a Shareholder to provide such information as it may consider necessary to establish whether a Shareholder is the beneficial owner of the Shares which he/she holds.

If it shall come to the Management Company's attention at any time that Shares are beneficially owned by a United States Person, the Management Company will have the right to compulsorily redeem such Shares.

The transfer of registered Shares may be effected by delivery to the Registrar and Transfer Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant shareholding confirmation to be cancelled.

### ***8.2 Sub-Funds***

Appendix I to the Prospectus lists the Sub-Fund(s) already in existence at the time of issue of this Prospectus as well as their characteristics.

Pursuit of the investment policy of any Sub-Fund must be in compliance with the limits and restrictions set forth in Chapter 30 of this Prospectus.

The Company may at any time resolve to set up new Sub-Funds with different investment policies and objectives and this Prospectus will be updated accordingly. The Company may also at any time resolve to close a Sub-Fund.

### ***8.3 Share Classes***

The Directors may decide to create within each Sub-Fund different Share Classes whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Share Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Share Class.

### Invariable Features of Share Classes

Each Share Class has its own features, as defined below, that must be implemented at launch time and that remain unchanged.

<i>Type of Share Class</i>	<i>Eligible investors</i>	<i>Initial subscription price</i>	<i>Minimum subscription amounts <sup>2</sup></i>	<i>Investment Management fees <sup>4</sup></i>	<i>Subscription fee</i>	<i>Annual distribution fee</i>
<b>A1</b>	All type of investors	USD 100 CHF 100 EUR 100 GBP 100	N/A	Yes	Yes	Yes
<b>A2</b>	All type of investors, differentiate from Class A1 Shares with a higher investment management fee, but no subscription fee.	USD 100 CHF 100 EUR 100 GBP 100	N/A	Yes	No	No
<b>R</b>	All type of investors, available in some countries and through certain distributors and/or platforms having concluded a specific agreement with their clients, or subject to the Management Company's agreement	USD 100 CHF 100 EUR 100 GBP 100	N/A	Yes	Yes	No
<b>S</b>	Available to all types of investors. Shares with specific minimum initial investment amount and/or minimum holding amount requirements as determined by the board of directors and which remains open until the sub-fund has reached a critical size in terms of assets under management or a decision of the board is taken to close the share class based on reasonable grounds.	USD 100 CHF 100 EUR 100 GBP 100	USD 5,000,000. - CHF 5,000,000. - EUR 5,000,000. - GBP 5,000,000. -	Yes	Yes	No
<b>Z</b>	All type of investors, available to clients of distributors which provide nominee services, as well to investors who have entered, at the discretion of the Management Company, into a specific agreement with this latter.	USD 100 CHF 100 EUR 100 GBP 100	USD 5,000,000. - CHF 5,000,000. - EUR 5,000,000. - GBP 5,000,000. - <sup>3</sup>	Yes	Yes	No
<b>I <sup>1</sup></b>	Institutional investors only	USD 100 CHF 100 EUR 100 GBP 100	USD 1,000,000. - CHF 1,000,000. - EUR 1,000,000. - GBP 1,000,000. - <sup>3</sup>	Yes	Yes	No

<b>DS</b>	Institutional investors only. Shares with a minimum holding amount of 40,000,000. - (in the reference currency), which may be reached in several subscriptions in a period which may not exceed one year. <sup>5</sup>	USD 100 CHF 100 EUR 100 GBP 100	Amount left to the absolute discretion of the directors	Yes	No	No
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- <sup>1</sup> *If investors in Class I Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Directors may convert their Shares, free of charge, into Class R Shares*
- <sup>2</sup> *The Minimum subscription amounts will not be applied for subsequent subscriptions*
- <sup>3</sup> *For Class I Shares and Z Shares, the Directors may in their absolute discretion waive the minimum subscription amount*
- <sup>4</sup> *Please refer to the description of each Sub-Fund for full information on the applicable maximal annual investment management fee.*
- <sup>5</sup> *If the minimum holding amount is not reached within one year from the first subscription or fall under 40,000,000. -, the directors may decide, in their absolute discretion, whether or not to convert the shares into another suitable class in the best interest of the shareholders.*

#### Variable Features of Share Classes

The Directors or the Management Company may decide to launch new Share Classes by adding one or more Variable Features to the predefined type of Invariable Features, in accordance with the table below.

Type of Share Class	<b>A1</b>		<b>A2</b>		<b>R</b>		<b>S</b>		<b>Z</b>		<b>I</b>		<b>DS</b>	
Reference Currency	USD / CHF / EUR / GBP		USD / CHF / EUR / GBP		USD / CHF / EUR / GBP		USD / CHF / EUR / GBP		USD / CHF / EUR / GBP		USD / CHF / EUR / GBP		USD / CHF / EUR / GBP	
Hedging	<i>Yes</i>	<i>No</i>												
	H	-	H	-	H	-	H	-	H	-	H	-	H	-
Dividend distribution	<i>Yes</i>	<i>No</i>												
	D	-	D	-	D	-	D	-	D	-	D	-	D	-
Performance Fees	<i>Yes</i>	<i>No</i>												
	P	-	P	-	P	-	P	-	P	-	P	-	P	-

#### **Reference Currency**

Shares may be issued with a Reference Currency which is different to the Base Currency of the Sub-Fund.

The Reference Currency of a Share Class is indicated in the denomination of a Share Class immediately after the type of shares (A1, A2, R, Z and I).

#### **Hedging**

A hedged version of each class of Shares (herein referred to as "Hedged Class of Shares" or "Hedged Classes of Shares", as appropriate) may be created for each Sub-fund, which may be denominated in a currency other than the Base Currency of the relevant Sub-Fund. The characteristics of the Hedged Classes of Shares remain

unchanged save that the costs relating to the hedging shall be borne by such Hedged Classes of Shares. The effect of any hedging will be reflected in the Net Asset Value and, therefore, in the performance of the relevant Hedged Class of Shares.

Hedged Classes of Share Classes are identified by the letter “H” immediately after the Reference Currency.

### **Dividend Distribution**

Distribution Share Classes make periodic distributions (yearly or more frequently as deemed appropriate by the Directors), as decided by the Shareholders upon proposal of Directors. For more information of the dividend distribution please refer to Chapter 27 of the Prospectus “Dividend Policy

Distribution Share Classes are identified by the letter “D”.

### **Performance Fees**

Performance Fees may apply to certain Classes of Shares. For more information regarding the calculation of the performance fees please refer to Chapter 18 "Charges and Expenses".

Share Classes subject to Performance Fees are identified by the letter “P”.

### List of available Classes of Shares

The list of available Share Classes in each Sub-Fund is published in the annual and semi-annual reports of the Company, at the following website: [www.decaliafunds.com](http://www.decaliafunds.com) and may be obtained, free of charge, at the Company's registered office, or the local representative of the Company. The list of available Share Classes may also vary from one country to another.

### Share Classes of the same type in a given Sub-Fund.

The Directors or the Management Company may also launch several Share Classes of the same type in a given Sub-Fund. In this case, the denomination of the following Share Class will include a number immediately after its features, this number starting at "2" in order to distinguish this Share Class from the previous one. Therefore, for example, the Company may issue in a Sub-Fund a Share Class "I EUR D", which is (1) intended for institutional investors, (2) denominated in Euros and (3) entitled the shareholder to a dividend distribution. Thereafter, the Company may also decide to issue for the same Sub-Fund another Share Class of the same type which will be then designated as Share Class "I EUR D 2", adding the number "2" to its denomination.

### ***8.4 Principle of Solidarity and Severability***

The subscription price for Shares in each Share Class is invested in the assets of the relevant Sub-Fund. In principle, all assets and liabilities related to a specific Sub-Fund are allocated to that Sub-Fund. To the extent that costs and expenses are not attributable to a specific Sub-Fund, they shall be shared out proportionally among the various Sub-Funds according to their net asset values or, if circumstances warrant it, allocated on an equal basis to each Sub-Fund.

The Company constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

### ***8.5 General Meetings of Shareholders***

The annual general meeting of Shareholders shall be held each year at the Company's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.

The annual general meeting of Shareholders shall be held within four (4) months of the end of each financial statement.

Convening notices shall be sent to all registered Shareholders at least 8 days prior to the annual general meeting. These notices shall include details of the time and place of the meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law. Notices shall be published in the RESA and in a Luxembourg newspaper (if legally required) and in such other newspapers as the Management Company may decide.

The legal requirements as to notice, quorum and voting at all General and Sub-Fund or Share Class Meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Share Class shall decide upon matters relating to that Sub-Fund or Share Class only.

## **9. SUBSCRIPTION**

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Subscriptions for Shares in each Sub-Fund already in operation shall be accepted at the issue price, as defined below under "Issue Price", at the office of the Registrar and Transfer Agent as well as of any other establishments authorized to do so by the Company.

### ***9.1 How to subscribe***

Investors subscribing for Shares for the first time should complete a subscription form by facsimile transmission or other means approved by the Registrar and Transfer Agent and send directly to the Registrar and Transfer Agent. Subscription forms from non-FATF residents will only be accepted once the signed subscription form and other applicable identification documents have been received and approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any subscription received by the Registrar and Transfer Agent prior to 12:00 hours on the Valuation Day, the Net Asset Value calculated on that Valuation Day will be applicable.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any subscription arriving at the Registrar and Transfer Agent after the deadline set at 12:00 hours on the Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.

Subsequent subscription for Shares does not require completion of a second application form. However, Investors shall provide written instructions as agreed with the Registrar and Transfer Agent to ensure smooth processing of subsequent subscription. Instructions may also be made by facsimile transmission, in each case duly signed, or such other means approved by the Registrar and Transfer Agent.

**Each Investor will be given a personal account number which, along with any relevant transaction number should be quoted on any payment by bank transfer. Any relevant transaction number and the personal account number should be used in all correspondence with the Registrar and Transfer Agent or any distributor.**

**Different subscription procedures may apply if applications for Shares are made through distributors.**

**All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.**

### ***9.2 How to pay***

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, the amount for the issue price shall be paid or transferred, in the Reference Currency of the relevant Sub-Fund, within two Business Days following the relevant Valuation Day into the account of Bank Pictet & Cie (Europe) A.G., Luxembourg Branch or of the distributor, to the order of the Company with reference to the Sub-Fund(s) concerned.

Payment should be made by electronic bank transfer net of all bank charges (i.e. at the Investor's expense).

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. If timely settlement is not made, an

application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Registrar and Transfer Agent against any existing holding of the applicant in the Company. In all cases, any confirmation of transaction and any money returnable to the Investor will be held by the Registrar and Transfer Agent without payment of interest pending receipt of the remittance.

Payments in cash will not be accepted. Payment should normally be made in the currency of the relevant Share Class. However, a currency exchange service for subscriptions is provided by the Registrar and Transfer Agent on behalf of, and at the cost and risk of, the Investor. Further information is available from the Registrar and Transfer Agent or any of the Distributors on request.

Different settlement procedures may apply if applications for Shares are made through distributors.

### ***9.3 General***

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Registrar and Transfer Agent and/or the Company in their absolute discretion reserve the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the applicant without interest. Prospective applicants should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

### ***9.4 Contribution in Kind***

The Management Company may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions. Any such contribution in kind will be made at the Net Asset Value of the assets contributed calculated in accordance with the rules set out in under “Calculation of Net Asset Value” below and will be the subject of the Company auditor’s report drawn up in accordance with the requirements of Luxembourg laws. This report will be available for inspection at the registered office of the Company and any related costs incurred will be borne by the Investor. Should the Company not receive good title on the assets, contributed this may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Registrar and Transfer Agent against any existing holding of the applicant in the Company.

### ***9.5 Measures to prevent money laundering and financing of terrorism.***

The Company and the Management Company will always comply with any obligations imposed by all applicable laws, regulations and circulars with respect to the prevention of money laundering and financing of terrorism, and with the Luxembourg Law of 12 November 2004 as amended.

Within this context, before opening an account and on an ongoing basis, the Investor will be required to provide documentary evidence of his identity (as well as the identities of any beneficial owners), his address and the source of the funds to be invested. Additional documentation may be required from time to time pursuant to legal, regulatory and other requirements.

Such information shall be collected for verification purposes only and shall be covered by the banking and professional secrecy imposed on the Depository Bank and the Management Company.

Such identification procedure may be waived by the Registrar and Transfer Agent on a case-by-case basis, and for example in the following circumstances:

- in the case of subscription through an intermediary resident in a country which imposes an identification

- obligation equivalent to that required under Luxembourg law for the prevention of money laundering;
- in the case of subscription through an intermediary whose parent is subject to an identification obligation equivalent to that required by Luxembourg law and where the law applicable to the parent imposes an equivalent obligation on its subsidiaries or branches.

It is generally accepted that professionals of the financial sector resident in a country which has ratified the conclusions of the Financial Action Task Force (FATF) report on money laundering are deemed to have an identification obligation equivalent to that required by Luxembourg law.

Where the Investor is purchasing shares on behalf of, or as an intermediary for, one or more of its clients, enhanced due diligence measures will be applied, which includes the requirement to obtain a representation that the intermediary has collected and maintains recorded evidence for its end investors.

Ongoing transaction monitoring is conducted to ensure that transactions are consistent with the knowledge of the Investor's identity and business relationship.

**The opening of an account and any associated transaction requests and payments (including switches redemptions and transfers) may be delayed or denied until the Company or the Management Company receive, and judge to be satisfactory, all requested documents. The Company or the Management Company will not be liable for any resulting costs, losses, or lost interest or investment opportunities. In addition, the Company and the Management Company reserve the right to terminate the business relationship with immediate effect after reasonable attempts to contact the Investor to obtain the missing or updated documentation in line with applicable laws and regulations, which will prevent from fulfilling anti-money laundering and counter-terrorism financing obligations.**

## **10. ISSUE PRICE**

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The issue price for Shares in each Share Class is equal to the Net Asset Value of each Share in that Share Class, calculated on the first Valuation Day following the applicable day of subscription.

Intermediaries involved in the distribution of shares may charge additional fees to their clients subscribing in the Company via them.

This issue price will also be increased to cover any duties, taxes and stamp duties which may have to be paid.

## **11. REDEMPTION OF SHARES**

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### ***11.1 Procedure***

Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as determined under "Redemption Price" below, by addressing an irrevocable application for redemption to the Registrar and Transfer Agent, or other authorized establishments. Instructions to redeem Shares may be communicated directly to the Registrar and Transfer Agent either by facsimile transmission or other means approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any request for redemption received by the Registrar and Transfer Agent prior to 12:00 hours at the Valuation Day, the Net Asset Value calculated on that Valuation Day will be applicable.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any request for redemption received by the Registrar and Transfer Agent after the deadline of 12:00 hours on the Valuation Day, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.

Redemption instructions can only be executed when any previously related transaction has been completed.

Instructions may be given to the Registrar and Transfer Agent by completing the form requesting redemption of Shares or by facsimile transmission or other means approved by the Registrar and Transfer Agent where the

account reference and full details of the redemption must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Registrar and Transfer Agent is available on request.

**Different redemption procedures may apply if instructions to redeem Shares are communicated via distributors.**

**All instructions to redeem Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.**

### ***11.2 Redemption Proceeds***

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, redemption proceeds are normally paid by bank transfer within three Business Days from the relevant Valuation Day, provided the Registrar and Transfer Agent is in receipt of, and approves all documents required. The Company or Registrar and Transfer Agent are not responsible for any delays or charges incurred at any receiving bank or settlement system. Redemption proceeds will normally be paid in the currency of the relevant Share Class. On request, redemption proceeds paid by bank transfer may be paid in most other currencies on behalf of, at the cost and risk of, the Shareholder.

If, on the settlement date, banks are not open for business in the country of the settlement currency of the relevant Share Class, then settlement will be on the next Business Day on which those banks are open.

Redemption requests will be considered binding and irrevocable by the Registrar and Transfer Agent and will, at the discretion of the Registrar and Transfer Agent, only be executed where the relevant Shares have been duly issued.

Different settlement procedures may apply if instructions to redeem Shares are communicated via distributors.

### ***11.3 Redemption in kind***

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned redemptions may be effected in kind. Shareholders are free to refuse the redemption in kind and to insist upon cash redemption payment in the Reference Currency of the relevant Class of Shares.

Where Shareholders agree to accept redemption in kind they will, to the extent possible, receive a representative selection of the Sub-Fund's holding in securities and cash pro rata to the number of shares redeemed.

The value of the redemption in kind will be certified by an auditor's certificate drawn up in accordance with the requirements of Luxembourg law. Any expenses incurred for redemptions in kind shall be borne by the Shareholders concerned.

## **12. REDEMPTION PRICE**

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The redemption price for Shares in each Share Class is equal to the Net Asset Value of each Share in that Share Class as calculated on the first Valuation Day following the bank business day on which application for redemption has been accepted.

Intermediaries involved in the distribution of shares may charge additional fees to their clients redeeming their Shares in the Company via them.

The redemption price will also be reduced to cover any duties, taxes and stamp duties which might have to be paid.

The redemption price could be higher or lower than the subscription price paid, depending on changes in the Net Asset Value.

## 13. CONVERSION OF SHARES

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### *13.1 Procedure*

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, shareholders are entitled at any time to convert all or part of their Shares at the conversion price as determined under "Conversion Price" below, by addressing an irrevocable application for conversion to the Registrar and Transfer Agent, or other authorized establishments. Instructions to convert Shares may be communicated directly to the Registrar and Transfer Agent either by facsimile transmission or other means approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any request for conversion received by the Registrar and Transfer Agent prior to 12:00 hours at the latest on the Valuation Day, the Net Asset Value calculated on that Valuation Day will be applicable.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any request for conversion received by the Registrar and Transfer Agent after the above-mentioned deadline of 12:00 hours, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.

In cases where dealing is suspended in a Sub-Fund from or to which a conversion has been requested, the processing of the conversion will be held over until the next common Dealing Day where dealings are no longer suspended. Conversion instructions can only be executed when any previously related transaction has been completed.

Instructions may be given to the Registrar and Transfer Agent by completing the conversion form or by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent where the account reference and the number of Shares to be converted between named Share Classes must be provided.

All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Registrar and Transfer Agent is available on request.

Shares of any Share Class in a Sub-Fund may be converted on any Valuation Day into Shares of the same Share Class of another Sub-Fund, notwithstanding their distribution policy, except where there is a suspension of the calculation of the Net Asset Value per Share of those Sub-Funds or Share Classes, as described below. In addition, the Registrar and Transfer Agent may, at its discretion, accept instructions to convert from Shares of one Share Class of a Sub-Fund into Shares of another Share Class of the same Sub-Fund.

The number of Shares issued upon conversion will be based upon the respective Net Asset Value per Share of the Shares of the two relevant Sub-Funds on the Valuation Day on which the conversion request is effected. Due to the settlement period necessary for redemptions, conversion transactions will not normally be completed until the proceeds from the redemption are available.

Unless waived by the Registrar and Transfer Agent, if, as a result of any conversion request, the amount invested by any Shareholder in a Share Class in any one Sub-Fund falls below an amount determined by the Management Company as minimum for that Share Class, it will be treated as an instruction to convert the Shareholder's total holding in the relevant Share Class.

Conversion requests will be considered binding and irrevocable by the Registrar and Transfer Agent and will, at the discretion of the Registrar and Transfer Agent, only be executed where the relevant Shares have been duly issued.

**Different conversion procedures may apply if instructions to convert Shares are communicated via distributors.**

**All instructions to convert Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.**

### ***13.2 Conversion Price***

The conversion price is based on the respective Net Asset Values as calculated on the Valuation Day of the relevant Share Classes.

A conversion commission of up to 1% of the Net Asset Value of the Shares of the Share Class into which conversion is requested may be charged by the Company at the discretion of the Board of Directors, to protect investors against excessive trading due to conversion between the Sub-Funds.

No Share fractions shall be attributed upon conversion to the converting Shareholders who shall be deemed to have requested the redemption thereof. In such case, the relevant Shareholder shall be reimbursed the corresponding amount resulting from the differences between the Net Asset Values of the converted Shares.

## **14. CALCULATION OF NET ASSET VALUE**

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The Net Asset Value as well as the issue, redemption and conversion prices of Shares are calculated by the Central Administration Agent for each Sub-Fund in the Reference Currency applicable for the Sub-Fund on the basis of the last known prices, at intervals which may vary for each Sub-Fund and are specified in the Appendix (each a "Valuation Day").

The Net Asset Value of a Share of each Sub-Fund will be calculated by dividing the Net Asset Value attributable to that Sub-Fund, being the proportionate value of its assets less its liabilities, by the total number of Shares outstanding in that Sub-Fund.

The Company's total net assets will be expressed in Euro and correspond to the difference between the total assets and the total liabilities of the Company. In order to calculate this value, the net assets of each Sub-Fund will, unless they are already expressed in Euro, be converted into Euro, and added together. The assets of the Company shall be valued as follows:

- a) securities and other assets listed or dealt in on a stock exchange or another regulated market will be valued at the last available price; where such securities or other assets are listed or dealt in one or by more than one stock exchange or any other regulated market, the Directors shall make regulations for the order of priority in which stock exchanges or other regulated markets will be used for the provisions of prices of securities or assets;
- b) assets not listed or dealt in on a stock exchange or another organised market, or assets so listed or dealt in for which the last available price is not representative of a fair market value, will be valued, prudently and in good faith, on the basis of their estimated sale prices;
- c) cash in 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 will be valued at their face value with interest accrued;
- d) the units/shares of open-ended undertakings for collective investment will be valued on the basis of the last known Net Asset Value or, if the price so determined is not representative of their fair market value, will be valued as the Directors may deem fair and reasonable. Units/shares of closed-ended undertakings for collective investment will be valued on the basis of their last available market value;
- e) liquid assets and money market instruments which are not listed or dealt in on a stock exchange or another regulated market with remaining maturity of less than or equal to 397 days will be valued at their nominal value increased by any interest accrued thereon, if any, such global value being amortised pursuant to the amortised costs method and marked to market on a regular basis;
- f) futures, forward and options contracts not dealt in on a stock exchange or another regulated market will be valued at their liquidating value determined pursuant to the policies established in good faith by the Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of

futures, forward and options contracts dealt in on a stock exchange or another organised market will be based on the last available settlement prices published by such stock exchange or other regulated market where these particular futures, forward or options contracts are traded. If a futures, forward or options contract could not be liquidated on the Valuation Day of the relevant assets, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable;

- g) cash flows which result from swap transactions are calculated at the date of valuation of the zero-coupon swap rate corresponding to the maturity date of these cash flows. The value of the swaps is therefore derived from the difference between these two calculations;
- h) for each Sub-Fund, securities whose value is expressed in a currency other than the Reference Currency of that Sub-Fund will be converted into that Reference Currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial centre which is most representative for those securities.
- i) any other security, instrument or asset will be valued, prudently and in good faith, on the basis of their estimated sale prices by the Directors.

If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

In cases when applications for subscription or redemption are sizeable, the Management Company may calculate the value of the Shares on the basis of rates during the trading session on the stock exchanges or markets during which the necessary securities for the Company could be bought or sold. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

## **15. SUSPENSION/DEFERRAL OF CALCULATION OF NET ASSET VALUE, SUBSCRIPTIONS AND REDEMPTIONS**

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The Company reserves the right not to accept instructions to redeem or convert on any one Dealing Day more than 10% of the total value of Shares in issue of any Sub-Fund. In these circumstances, the Management Company may declare that any such redemption or conversion requests will be deferred until the next Dealing Day and will be valued at the Net Asset Value per Share prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Registrar and Transfer Agent.

The Management Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Company are invested or in exceptional circumstances where the liquidity of the Company is not sufficient to meet the redemption requests.

The Management Company may temporarily suspend or defer the calculation of the Net Asset Value of any Share Class of any Sub-Fund and the issue and redemption of any Share Class in such Sub-Fund, as well as the right to convert Shares of any Share Class in any Sub-Fund into Shares of the same Share Class of the same Sub-Fund or any other Sub-Fund in the following circumstances:

- when one or more stock exchanges or regulated markets, which provide the basis for valuing a substantial portion of the Company's assets, or when one or more foreign exchange markets in the currency in which the net asset value of Shares is expressed or in which a substantial portion of the Company's assets is held, are closed other than for ordinary holidays or if dealings therein are suspended, restricted or subject to major short-term fluctuations;

- when, as a result of political, economic, military, monetary or social events, strikes or other circumstances outside the responsibility and control of the Company, the disposal of the Company's assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests;
- in the case of a breakdown in the normal means of communication used to determine the value of an asset in the Company or when, for whatever reason, the value of an asset in the Company cannot be calculated as rapidly and as accurately as required;
- if, as a result of exchange controls or other restrictions on the movement of capital, transactions for the Company are rendered impracticable or if purchases or sales of the Company's assets cannot be made at normal rates of exchange;
- upon massive requests for redemption, the Company reserves the right to redeem the Shares at a redemption price determined as soon as the necessary sales of assets have been made, taking into account the interests of Shareholders as a whole, and has been in a position to affect the proceeds therefrom. One single price will be calculated for all the subscription, redemption and conversion requests tendered at the same time;
- in the case of the suspension of the calculation of the net asset value of one or several of the undertakings for collective investment in which the Company has invested a substantial portion of its assets;
- following the occurrence of an event giving rise to the winding-up of a Sub-Fund or of the Company as a whole;
- if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Company attributable to a particular Share Class in the preparation or use of a valuation or the carrying out of a later or subsequent valuation;
- during any other circumstance or circumstances where a failure to do so might result in the Company or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Company or its Shareholders might so otherwise have suffered.

The suspension of the calculation of the Net Asset Value of any Sub-Fund or Share Class shall not affect the valuation of other Sub-Funds or Share Classes, unless these Sub-Funds or Share Classes are also affected. In such cases of suspension or deferral, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Sub-Funds affected by the suspensions shall be notified in the event that the suspension period is extended. Furthermore, a Shareholder may withdraw his request in respect of any Shares not redeemed or converted, by notice in writing received by the Registrar and Transfer Agent before the end of such period.

The Company may, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Sub-Funds to individuals or corporate bodies resident or domiciled in some countries or territories. The Management Company may also prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Company.

In addition, the Management Company is entitled to:

- a) reject, at its discretion, any application to subscribe to Shares;
- b) redeem, at any time, Shares which have been acquired in violation of a measure of exclusion taken by the Company.

## **16. MARKET TIMING**

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The Company does not knowingly allow investments which are associated with market timing practices or any other excessive transactional practice which may adversely affect the performance of the Company or harm Investors. The Management Company reserves the right to reject any subscription or conversion request by, or may decide to redeem the whole holding of, an investor suspected of such practices. It will also take all necessary steps to protect Investors in the Company.

## **17. CHARGES AND EXPENSES**

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### ***17.1 Management Company Fee***

In consideration for the management company services provided to the Company, the Management Company is entitled to receive an annual management company fee up to 0,05% p.a. out of the net assets of the relevant Class (the "Management Company Fee"). Starting from February 1, 2019, minimum fees are amounting to EUR 40.000.- p.a. per Sub-Fund from the first Sub-Fund to the fourth Sub-Fund, then EUR 30.000.- p.a. per Sub-Fund from the fifth Sub-Fund to the eighth Sub-Fund EUR 25.000.- p.a. per Sub-Fund from the ninth Sub-Fund to the twelfth Sub-Fund and EUR 20.000.- p.a. per Sub-Fund from the thirteenth Sub-Fund. The total amount of the minimum Management Company Fee is calculated first at the level of the Company taking into account the number of active Sub-Funds, then, the computation of the minimum Management Company Fee applicable for each Sub-Fund is calculated on proportion to the assets under management.

Furthermore, the Management Company will receive an annual administration fee of a percentage of the net assets of the relevant Class for its administration services as further detailed in the relevant Appendix (the "Administration Fee"). Administration Fee are up to 0,1% p.a. with a minimum fee of EUR 50.000.- p.a. for the Company up to 4 Sub-Funds and then EUR 15.000.- per additional Sub-Fund.

For the provision of domiciliary services, the Management Company will also receive an annual fixed amount of EUR 10,000. - for the Company and of EUR 2,500. - per sub- fund as domiciliation fee (the "Domiciliation Fee").

In consideration for the registrar and transfer agency services provided to the Company, the Management Company is entitled to receive an annual fixed amount as transfer agent fee (the "Transfer Agent Fee"). Transfer Agent fees are EUR 2,500 p.a. per Sub-Fund (transaction fees will be charged separately).

In addition, the Management Company will be entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and to receive reimbursement for the fees charged to it by any service providers or agent duly appointed.

### ***17.2 Investment Management Fee***

In consideration for the investment management services provided to the Company, the Investment Manager may be entitled to receive from the Company, an investment management fee of a percentage of the net assets of the relevant Share Class of a Sub-fund, the details of which will (where applicable) be disclosed in the relevant Appendix.

In addition, the Investment Manager will be entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and for certain fees associated with its activity such as expenses relating to financial data as well as expenditure linked to the use of indices.

### ***17.3 Performance Fee***

To the extent provided for in the relevant Appendix, the Investment Manager may also be entitled to receive a performance fee (the "Performance Fee").

#### ***17.3.1 High water mark (the "HWM")***

The Performance Fee is accrued on each valuation date, paid yearly and based on the NAV, equivalent to the rate as mentioned in the relevant Appendix, applied to the difference between the NAV per share and the HWM, if this difference is positive.

The Performance Fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions.

The Performance Fee is equal to a percentage of the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No Performance Fee will be due if the NAV per share before Performance Fee turns out to be below the HWM for the calculation period in question.

The HWM is defined as the greater of the following two figures:

- The last highest NAV per share on which a Performance Fee has been paid, and
- The initial NAV per share.

If the fund does not pay any Performance Fees after 5 years, the new HWM will be the higher year end NAV of the 5 last years.

The HWM will be decreased by the dividends paid to shareholders.

Provision will be made for this Performance Fee on each valuation point. If the NAV per share decreases during the calculation period, the provisions made in respect of the Performance Fee will be reduced accordingly. If these provisions fall to zero, no Performance Fee will be payable.

If shares are redeemed on a date other than that on which a Performance Fee is paid while provision has been made for Performance Fees, the Performance Fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realized may be taking into account in the calculation and payment of Performance Fees.

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 per share against the HWM until 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 HWM at the date of the subscription. This cumulated adjustment amount is used in the Performance Fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance Fees are payable within 20 business days following the closing of the yearly accounts.

In case the performance reference period is shorter than the whole life of the fund, the performance reference period should be set equal to at least five years on a rolling basis. In this case, performance fees may only be claimed if the outperformance exceeds any underperformances during the previous five years and performance fees should not crystallize more than once a year.

The formula for the calculation of the Performance Fee is as follows:

$$F = \begin{cases} 0 & \text{if } (B / E - 1) \leq 0 \\ (B / E - 1) * E * C * A & \text{If } (B / E - 1) > 0 \end{cases}$$

The new high-water mark = If F>0: D  
If F=0: E

Number of shares outstanding = A  
NAV per share before performance = B  
Performance Fee rate = C  
NAV per share after performance= D  
High-water mark = E  
Performance Fee = F

Examples (with a performance fee rate equal to 10%):

Year	NAV before PF	HWM per share	Yearly NAV per share performance	NAV per share performance / HWM	PF	NAV after PF
1	110	100	10.00%	10.00%	1	109
2	115	109	5.50%	5.50%	0.60	114.40
3	108	114.40	-5.59%	-5.59%	0.00	108
4	112	114.40	3.70%	-2.10%	0.00	112
5	118	114.40	5.36%	3.15%	0.36	117.64

**Year 1:** The NAV per share performance is 10%. The excess of performance over the HWM is 10% and generates a performance fee equal to 1.

**Year 2:** The NAV per share performance is 5.50%. The excess of performance over the HWM is 5.50% and generates a performance fee equal to 0.6.

**Year 3:** The NAV per share performance is -5.59%. The underperformance over the HWM is -5.59%. No performance fee is calculated.

**Year 4:** The NAV per share performance is 3.70%. The underperformance over the HWM is -2.10%. No performance fee is calculated.

**Year 5:** The NAV per share performance is 5.36%. The excess of performance over the HWM is 3.15% and generates a performance fee equal to 0.36.

### ***17.3.2. Benchmark – Loss recovery: Rolling period of 5 years.***

The Performance Fee is accrued on each Valuation Day, paid yearly, based on the NAV per Share, equivalent to a percentage as mentioned in the relevant Appendix of the Sub-Fund, of the performance of the NAV per Share, over the performance of the Benchmark, as mentioned in the relevant Appendix, during the current Performance Reference Period.

The Performance Reference Period, which is the period at the end of which the past losses can be reset is set at five years. At the end of this period, the mechanism for the compensation for past underperformance (or negative performance) can be reset.

Only at the end of five years of overall underperformance over the Performance Reference Period, losses can be

partially reset on a yearly rolling basis, by writing off the first year of performance of the current Performance Reference Period of the Share Class. Within the relevant Performance Reference Period, losses of the first year can be offset by gains made within the following years of the Performance Reference Period.

For the avoidance of any doubt, the Investment Manager shall also receive a performance fee even in case of negative performance of the NAV during the calculation period as long as the performance of the NAV is superior to the performance of the benchmark during the calculation period.

The performance fee is calculated on the basis of the Net Asset Value per share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions, redemptions and dividends.

Any first calculation period shall start on the launch date of the relevant Class and terminates at the last Valuation Day of the next fiscal year, in order to make sure that the first performance fees payment would occur after a minimum period of twelve months. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate on the last Valuation Day of each following fiscal year.

The crystallization frequency is yearly.

Performance fee provisions will be made on each Valuation Day. If the Net Asset Value per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

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 outperformance of the NAV per share against the benchmark until 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 benchmark performance at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the calculation period.

The performance fee is payable within 20 business days following the closing of the yearly accounts.

**Examples** (with a performance fee rate equal to 20%):

Year	NAV before Perf. Fee	Annual NAV perf. amount	Annual bench perf. amount	Annual Outperformance	Amount to report - current Period	Adjusted loss reset of Y-5 (If any)	Amount to recover after reset	Net Outperformance	Perf Fee	Payment of Perf. Fee	NAV After Perf. Fee
1	110,00	10,00	5,00	5,00				5,00	1,00	Yes	109,00
2	101,00	-8,00	1,00	-9,00	0,00		0,00	-9,00	0,00	No	101,00
3	105,00	4,00	-1,00	5,00	-9,00		-9,00	-4,00	0,00	No	105,00
4	106,00	1,00	2,00	-1,00	-4,00		-4,00	-5,00	0,00	No	106,00
5	105,00	-1,00	-3,00	2,00	-5,00		-5,00	-3,00	0,00	No	105,00
6	103,00	-2,00	-1,00	-1,00	-3,00		-3,00	-4,00	0,00	No	103,00
7	107,00	4,00	1,00	3,00	-4,00	2,00	-2,00	1,00	0,20	Yes	106,80
8	105,80	-1,00	-2,00	1,00	0,00		0,00	1,00	0,20	Yes	105,60

**Year 1:** The Annual Performance Amount (10) of the NAV per share before Performance Fee is superior to the Annual Benchmark performance Amount (5). The excess of performance of 5 generates a performance fee equal to EUR 1.

**Year 2:** The NAV per share decreases by -8, while the Annual Benchmark Performance Amount has a performance of 1. This generates an underperformance of -9 over the year. The Net Outperformance since the end of Year 1 is -9. No performance fee is calculated.

**Year 3:** The NAV per share increases by 4, while the Annual Benchmark Performance Amount has a performance of -1. This generates an overperformance of 5 over the year. The Net Outperformance since the end of Year 1 is -4. No performance fee is calculated.

**Year 4:** The NAV per share increases by 1, while the Annual Benchmark Performance Amount has a performance of 2. This generates an underperformance of -1 over the year. The Net Outperformance since the end of Year 1 is -5. No performance fee is calculated.

**Year 5:** The NAV per share decreases by -1, while the Annual Benchmark Performance Amount has a performance of -3. This generates an overperformance of 2 over the year. The Net Outperformance since the end of Year 1 is -3. No performance fee is calculated.

**Year 6:** The NAV per share decreases by -2, while the Annual Benchmark Performance Amount has a performance of -1. This generates an underperformance of -1 over the year. The Net Outperformance since the end of Year 1 is -4. No performance fee is calculated.

The Net Outperformance since the end of Year 1 is -4. No performance fee is calculated. As the NAV underperformed the Benchmark for 5 consecutive years, losses from Year 2 of -9, adjusted by subsequent gains of Year 3 (5) and Year 5 (2), for a total of -2, are no longer to be considered in the performance calculation as from the beginning of Year 7.

**Year 7:** The NAV per share increases by 4, while the Annual Benchmark Performance Amount has a performance of 1. This generates an overperformance of 3 over the year and compensates the remaining losses from previous year of -2. The excess of performance is 1 and generates a performance fee equal to 0.20.

**Year 8:** The NAV per share decreases by -1, while the Annual Benchmark Performance Amount has a performance of -2. This generates an overperformance of 1. The excess of performance of 1 generates a performance fee equal to EUR 0.20.

### **Performance Fee risk**

The existence of a performance fee on a particular Sub-Fund has the benefit that it aligns the portfolio manager's interests more with that of the shareholders. However, because part of the portfolio manager's remuneration is calculated by reference to the performance of the relevant Sub-Fund, there is the possibility that the portfolio manager will be tempted to make investments that are riskier and more speculative than if the remuneration was linked purely to the size of that Sub-Fund.

### **No equalization**

Investors must be conscient that the performance fee is not calculated on a share-by-share basis and that there is no equalization mechanism or series of shares in order to allocate the performance fee amongst different investors. The performance fee may not correspond to the individual performance of the shares held by the investors.

## **Future losses**

A performance fee crystallized becomes payable to the investment manager and is neither affected by the future performance of the share class nor refundable in any subsequent financial years.

## **Unrealized gain and losses**

The performance fee is based on the net realized and net unrealized gains and losses at the end of each performance period and as a result, a performance fee may be paid on unrealized gains which may subsequently never be realized and will impact the NAV per share of the relevant share class.

### ***17.4 Depositary Fees***

In consideration of its services, the Depositary will be entitled to receive from the Company customary fees. Safekeeping services are charged up to 0,08% p.a. out of the net assets with a minimum fee of EUR 45.000.- p.a. for the Company up to 4 Sub-Funds and then EUR 15.000.- per additional Sub-Fund. Supervisory duties are charged 0,01% p.a. out of the net assets. The depositary fees will be calculated by reference to the quarterly average net asset value of each Class. They will accrue on each Valuation Day and will be payable quarterly in arrears.

In addition, the Depositary will be entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and to receive reimbursement for the fees charged to it by any correspondent bank or other agent (including any clearing system).

### ***17.5 Global Distribution Fees***

The remuneration of the Global Distributor for its distribution activity and distributors management is included within the applicable Investment Management Fee.

The Global Distributor is also entitled to an annual distribution fee and/or subscription fee. Where applicable the annual distribution is charged up to 1% of the applicable NAV and subscription fee up to 5% of the subscription price. These fees may be granted by the Global Distributor to sub-distributors or partners for their respective distribution activities.

In addition, the Global Distributor will be reimbursed by the Company for reasonable out-of-pocket expenses.

### ***17.6 Local Paying Agent Fees***

Local paying agents may be entitled to remuneration for their services in relation with the distribution of shares. Investors shall be required to pay an additional fee to the local paying agent whose details may be found in the application form available at local level.

### ***17.7 Other charges and expenses***

The following charges and expenses are borne by the Company:

- All marketing costs and expenses attributable to the selling of the Company's shares, including advertising campaigns and promotion costs.
- All expenses involved in registering and maintaining the registration of the Company with supervisory authorities and stock exchanges.
- All expenses connected with publication and supply of information to shareholders, in particular the costs of production, printing, translation and dispatching of financial reports as well as prospectus.
- Any costs and expenses, other than those specified above, that the Company determines to be directly related to the offer or distribution of Company's shares and distribution platforms expenses.

- Remuneration of the Directors and their reasonable out-of-pocket expenses.
- All expenses connected to the audit, legal advice and litigation.
- All brokerage and clearing costs.
- All governmental tax and duties.

## 18. TAX ASPECTS

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The Company is subject to Luxembourg tax legislation.

### 18.1 The Company

- In accordance with Luxembourg legislation currently in force (which, is therefore, subject to any future changes), the Company is not subject to any tax on income, capital gains tax or wealth tax.
- The Company's net assets are subject to a subscription tax of 0.05% per annum payable at the end of each calendar quarter and calculated on the basis of the Company's total net assets at the end of the relevant quarter. Such tax rate may be reduced or is non-applicable to Sub-Funds investing in certain types of assets as provided by the applicable laws and regulations.
- Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin. The Company may further be subject to tax on the realized or unrealized capital appreciation of its assets in the countries of origin.
- No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Company except a one-off payment of EUR 1,250 upon incorporation of the Company.

### 18.2 The shareholders

Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg, and except for certain former residents of Luxembourg and non-residents if owning more than 10% of the share capital of the Company, disposing of it in whole or part within six months of acquisition.

**However, it is incumbent upon any purchasers of Shares in the Company to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.**

## 19. AUTOMATIC EXCHANGE OF INFORMATION – COMMON REPORTING STANDARD - CRS

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The Organization for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") on a global basis.

On 9th December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States of the European Union.

The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (the "CRS Law"). The CRS Law has been amended by the law of 16 May 2023 which introduces a new requirement to inform individuals of the exact personal data to be shared with the Luxembourg tax authorities (*Administration des Contributions Directes* - ACD).

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company will require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the ACD, if such account is deemed a CRS reportable account under the CRS Law.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States of the European Union; it requires agreements on a country-by-country basis.

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

## **20. UNITED KINGDOM TAXATION**

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The following paragraphs, which are intended as a general guide only, summarise advice received by the Directors as to the position of Shareholders who are resident or ordinarily resident in the UK. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay. This summary is based on the law and proposed law as of the date of this document.

### ***20.1 Taxation of the Company***

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a permanent establishment situated therein) the Company will not be subject to UK corporation tax or income tax (except on UK source income) or UK tax on chargeable gains. The Directors of the Company and the Investment Manager each intend that the respective affairs of the Company and the Investment Manager are conducted so that these requirements are met insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

### ***20.2 Taxation of Shareholders***

#### *Taxation of distribution*

Subject to their personal circumstances, individual Shareholders resident in the UK for taxation purposes will, in general, be liable to UK income tax in respect of the gross amount of the dividends received or other distributions by the Company, whether or not such distributions are reinvested in further shares of the Company.

Provided the fund is not substantially invested in interest bearing assets (see below) a shareholder who is an individual will generally be chargeable to UK income tax on dividends received from the Company at the dividend ordinary rate of 10% or, to the extent that the amount of the gross dividend when treated as the top slice of his or her income exceeds the threshold for the higher rate tax, at the dividend upper rate of 32.5% (with -effective rate of 25% after deducting a non-payable dividend tax credit). From 6 April 2010, a new 42.5% dividend additional rate (with effective rate of 36.11% after deducting a non-payable dividend tax credit) will apply where dividend income forms part of an individual's taxable income in excess of £150,000.

Special rules apply to UK resident individual shareholders who are not domiciled in the UK or are resident but not ordinarily resident in the UK.

Shareholders who are subject to UK corporation tax should generally expect to be exempt from UK taxation in respect of dividends from the Company, subject to the non-qualifying investments test which is outlined below and provided the dividend income would not fall to be treated as trading income.

#### *Taxation of gains*

Chapter V of Part XVII of the UK Income and Corporation Taxes Act 1988 (the “Taxes Act”) provides that if an investor who is resident or ordinarily resident in the UK for taxation purposes holds a “material interest” in a collective investment scheme that constitutes an “offshore fund” and that collective investment scheme does not qualify as a “distributing fund” throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (“offshore income gain”) and not as a capital gain. The Shares will constitute “material interests” in an offshore fund for the purpose of those provisions of the Taxes Act.

This treatment would not apply where the Company is certified by the UK HM Revenue & Customs as a distributing fund throughout the period during which the Shares have been held. The investment and any distribution policies of the Company are currently not constituted to enable the Company to qualify as a distributing fund and it is not currently intended that the Company will apply to the UK HM Revenue & Customs for certification as a distributing fund in respect of each account period of the Company. Where such certification is sought this may be sought retrospectively and there can be no guarantee that certification will be obtained for account periods of the Company. The effect of certification as a distributing fund would be that any gains arising to Shareholders resident or ordinarily resident in the UK on a sale, redemption or other disposal of Shares would be taxed as capital gains and not as offshore income gains.

#### ***20.3 New offshore funds rules effective from 1 December 2009***

A new regime for offshore funds applies with effect for periods of account beginning on or after 1 December 2009, in accordance with Schedule 22 Part 1 of the Finance Act 2009 and the draft Offshore Funds (Tax) Regulations 2009 (the “Regulations”). Under the new rules, the definition of an offshore fund is based on a characteristics approach detailed in section 40A Finance Act 2008. Investors will be considered to have an interest in an offshore fund if they do not have day to day control over the management of the fund’s property and if a reasonable investor would expect to realize any investment based entirely or almost entirely by reference to the net asset value of the fund.

The proposed changes to the offshore fund rules will replace distributing fund status with “reporting fund” status. Under the new reporting fund regime, an investor who is resident or ordinarily resident in the UK for taxation purposes and holds an interest in an offshore fund will be taxed on any accrued gain at the time of sale, redemption or other disposal as an offshore income gain, unless the fund is regarded as a reporting fund throughout the period during which the investor holds an interest. If reporting fund status is obtained, investors shall be subject to tax on reported income attributable to the investor. Any gain accruing to the investor upon the sale, redemption or other disposal of their interest in a reporting fund will be subsequently taxed as a capital gain, but any undistributed income relating to that interest that has been subject to tax is treated as capital expenditure for the purpose of computing the amount of the chargeable gain.

The Company intends to seek reporting fund status for the period of account between 1 January 2010 and 31 December 2010 and the subsequent periods, subject to any consultation with Shareholders or their advisors.

While the Directors of the Fund intend to conduct the business of the Company in such a manner as to enable the Company to qualify as a reporting fund it cannot be guaranteed that such certification will be obtained, or that, once obtained, it will continue to be available for any future fiscal year of the Company. The UK HM Revenue & Customs has accepted the sub-funds respectively share-classes listed in the addendum within the Full prospectus dedicated to the UK investors to entry into the Reporting Fund Regime.

#### ***20.4 The non-qualifying investments***

Persons within the charge to UK corporation tax should note that the regime for the taxation of most corporate

debt contained in Part 6 of the UK Corporation Tax Act 2009 (the “loan relationships regime”) provides that, if the person holds an interest in an offshore fund at any time in an accounting period such a person holds a material interest in an offshore fund within the meaning of the relevant provisions of the Taxes Act. If there is a time in that period when that fund fails to satisfy the “non-qualifying investments” test, the material interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the non-qualifying investments test at any time when more than 60 per cent of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the non-qualifying investments test.

On the basis of the investment policies of the Company, it is intended that the Company shall not invest more than 60 per cent of its assets in government and corporate debt securities or as cash on deposit or in certain derivative contracts or in other non-qualifying collective investment schemes and hence is expected to satisfy the non-qualifying investments test. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied. In the eventuality of failing the “non-qualifying investments” test, the Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, such a person who acquires Shares may, depending on their own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

The attention of Shareholders subject to UK income tax is drawn to Section 39 of Finance Act 2009 which provides that certain distributions from offshore funds that are economically similar to payments of yearly interest will be chargeable to tax as if they were yearly interest. A distribution is treated as interest if the offshore fund, at any time during the 'relevant period', holds more than 60 per cent of its assets in the form of qualifying investments. As such, where the offshore fund fails to satisfy this test then any distribution will be treated as interest for income tax purposes and the UK investors will be subject to income tax on such distributions at their appropriate marginal rate up to 40% to 5 April 2010, 50% thereafter.

### ***20.5 Controlled foreign companies legislation***

The attention of companies resident in the UK for taxation purposes is drawn to the fact that the “controlled foreign companies” legislation contained in Chapter IV of Part XVII of the Taxes Act could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled (as “control” is defined in Section 755D of the Taxes Act) by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes, or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The “chargeable profits” of the Company do not include any of the capital gains of the Company. The effect of these provisions could be to render such companies liable to UK corporation tax in respect of the income of the Company.

### ***20.6 Other anti-avoidance provisions***

An investor who is an individual who has ceased to be resident or ordinarily resident in the UK for tax purposes for a period of less than five years of assessment and who disposes of their interest during that period may also be liable, on his return to the UK, to UK income tax on any offshore income gain.

The attention of individuals ordinarily resident in the UK is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007. These Sections contain anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits

of the Company.

The attention of persons resident or ordinarily resident in the UK for taxation purposes is drawn to the provisions of section 13 Taxation of Chargeable Gains Act 1992 (“section 13”) and the supplementary provision of section 762 of the Taxes Act (“section 762”). Section 13 could be material to any such person who has an interest in the Company as a “participator” for UK taxation purposes (which term includes, but is not limited to, a shareholder) at a time when a chargeable gain accrues to the Company (such as on a disposal of any of its investments) if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the UK for taxation purposes, be a “close” company for those purposes. The provisions of section 13 would result in any such person who is a participator being treated for the purposes of UK taxation as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for UK taxation purposes does not exceed one-tenth of the gain. Section 13 was extended with effect from 6 April 2008 to individuals domiciled outside the UK, subject to the remittance basis in particular circumstances.

As disposals of certain Interests in offshore funds are subject to tax as offshore income gains, the provisions of section 762 substitute “offshore income gains” for any reference to “chargeable gain” in section 13. There is some uncertainty as regards whether section 762 actually operates in the way that it was intended, since it may be interpreted as only applying to offshore income gains generated by offshore funds, as opposed to any capital gains accruing to the offshore funds. Despite this uncertainty, it would be prudent to assume that section 762 applies to all capital gains realized by offshore funds in the same way as section 13, since this would appear to have been the intention of the UK tax authorities when the legislation was drafted.

### ***20.7 Stamp duty***

Transfers of Shares will not be liable to UK stamp duty unless the instrument of transfer is executed within the UK when the transfer will be liable to UK ad valorem stamp duty at the rate of 0.5 per cent of the consideration paid and rounded up (if necessary) to the nearest multiple of £5. No UK stamp duty reserve tax is payable on such transfers. It should be noted that the levels and bases of, and reliefs from, taxation can change.

### ***20.8 Withholding Tax***

Capital gains and other revenues received by the Company may be subject to withholding or similar taxes imposed on foreign corporations by the country in which such gains or other revenues originate. In these jurisdictions taxes may be withheld at source on dividend and other income derived by the Company. Capital gains derived by the Company in such jurisdictions may often be exempt from income or withholding taxes at source.

However, the treatment of capital gains varies among jurisdictions and may result in a liability to tax arising for investors in accordance with tax laws in certain jurisdictions.

## **21. FATCA STATUS**

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The US Foreign Account Tax Compliance Act (“FATCA”) aims at preventing US tax evasion by requiring foreign (non-US) financial institutions to report to the US Internal Revenue Service information on financial accounts held outside the United States by US investors. US securities held by a non-US financial institution that does not comply with the FATCA reporting regime will be subject to a US tax withholding of 30% on gross sales proceeds and income, commencing on 1 July 2014.

Luxembourg has entered into a Model I Intergovernmental Agreement (the “IGA”) with the US on 28 March

2014. Under the terms of the IGA, the Company will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA (the “Luxembourg IGA Legislation”).

Under the IGA, Luxembourg-resident financial institutions that comply with the requirements of the Luxembourg IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA (“FATCA Withholding”). In order to elect for and keep such FATCA status, the Company only allows (i) participating foreign financial institutions, (ii) deemed-compliant foreign financial institutions, (iii) non-reporting IGA foreign financial institutions, (iv) exempt beneficial owners (v), Active Non-Financial Foreign Entities (“Active NFFE”) or (vi) non-specified US persons, all as defined under FATCA as shareholders; accordingly, investors may only subscribe for and hold Shares through a financial institution that complies or is deemed to comply with FATCA.

The Company may impose measures and/or restrictions to that effect, which may include the rejection of subscription orders or the compulsory redemption of Shares, as further detailed in this Prospectus and in the Articles, and/or the withholding of the 30% tax from payments to the account of any shareholder found to qualify as a “recalcitrant account” or “non-participating foreign financial institution” under FATCA. Prospective investors should (i) consult their own tax advisors regarding the impact of FATCA further to an investment in the Company and (ii) be advised that although the Company will attempt to comply with all FATCA obligations, no assurance can be given that it will be able to satisfy such obligations and therefore to avoid FATCA Withholding. The attention of US taxpayers is drawn to the fact that the Company qualifies as a passive foreign investment company (“PFIC”) under US tax laws and does not intend to provide information that would allow such investors to elect to treat the Company as a qualified electing fund (so-called “QEF election”).

## **22. FINANCIAL YEAR**

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The financial year of the Company starts on the 1<sup>st</sup> January and ends on the 31<sup>st</sup> of December each year. The first financial year started at the date of incorporation of the Company and ended on the 31<sup>st</sup> of December 2016.

## **23. PERIODICAL REPORTS AND PUBLICATIONS**

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The Company publishes an audited annual report within 4 months after the end of the financial year (set on the 31<sup>st</sup> of December of each year) and an unaudited semi-annual report within 2 months after the end of the period to which it refers (set on the 30<sup>th</sup> June of each year).

The annual report includes accounts of the Company and of each Sub-Fund.

All these reports will be made (free of charge) available to the Shareholders upon request at the registered office of the Company, the Depository Bank and other establishments appointed by the Depository Bank.

The Net Asset Value per Share of each Sub-Fund as well as the issue and redemption prices will be made public at the offices of the Depository Bank.

Any amendments to the Articles will be published in the RESA.

## **24. DATA PROTECTION**

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In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, the Regulation n°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 (“Data Protection Law”), the Company, acting as data controller, collects,

stores and processes, by electronic or other means, the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations.

The data processed includes the name, address and invested amount of each Shareholder (the “Personal Data”). If the investor is a legal person, the data processed may include the Personal Data of the investor’s contact persons and/or beneficial owner(s).

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Company. In this case however the Company may reject his/her/its request for subscription of Shares in the Company.

The Personal Data supplied by the investor is processed in order to enter into and execute the subscription in the Company, for the legitimate interests of the Company and to comply with the Company’s legal obligations.

In particular, the data supplied by Shareholders is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends to Shareholders, (iii) performing controls on late trading and market timing practices, (iv) complying with applicable anti-money laundering rules. In addition, Personal Data may be processed for the purposes of marketing. Each Shareholder has the right to object to the use of his/her/its Personal Data for marketing purposes by writing to the Company.

The Personal Data may also be processed by the Company’s data processors (the “Processors”) which, in the context of the above-mentioned purposes, refer to the Management Company, the Administrative Agent, Registrar and Transfer Agent, and the Paying Agent and Domiciliary Agent. All the Processors are located in the European Union. The Personal Data may also be disclosed to the Global Distributor, the Depositary Bank, the Approved Statutory Auditors and the Legal Advisors acting as distinct data controllers for their own purposes (i.e. for the purposes of their own legitimate interests and/or for the fulfilment of a legal obligation to which they are bound), all of them being located in the European Union. The Management Company, the Administrative Agent, Registrar and Transfer Agent, and the Paying Agent and Domiciliary Agent may also be acting as a distinct data controller for their own needs. The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax authorities (including for compliance with the FATCA/CRS obligations).

In accordance with the conditions laid down by the Data Protection Law, the Shareholders acknowledge their right to:

- access their Personal Data;
- correct their Personal Data where it is inaccurate or incomplete;
- object to the processing of their Personal Data;
- ask for erasure of their Personal Data;
- ask for Personal Data portability.

The Shareholders may exercise their above rights by writing to the Company at 15, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg or directly with Pictet Group Data Protection Officer at the following e-mail addresses: [europa-data-protection@pictet.com](mailto:europa-data-protection@pictet.com) (for European investors) or [switzerland-data-protection@pictet.com](mailto:switzerland-data-protection@pictet.com) (for Swiss investors).

More information on data protection may also be found on the web page: <https://www.group.pictet/pictet-group-privacy-notice>.

The Shareholders also acknowledge the existence of their rights to lodge a complaint with the National Commission for Data Protection (“CNPD”).

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by law.

## **25. DIVIDEND POLICY**

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The general policy regarding the appropriation of net income and capital gains is as follows:

- certain Class being capital appreciation Classes of shares, the Board of directors will recommend at the annual general meeting of the shareholders the reinvestment of their net assets;
- certain Class of Shares being distributing Class of shares, the Board of directors may propose to the annual general meeting of the shareholders a reasonable annual dividend payment either in the form of cash in the relevant currency or in the form of reinvestment by the purchase of Shares of the same Class.

Distributions can be performed at both regular and irregular intervals. Subject to the same limitation, the Board of directors may also fix interim dividends.

No dividends will be distributed if it would lead the assets of the Company to fall below the amount of 1,250,000 EUR.

Dividends must in any case result from a decision of the Shareholders in general meeting, subject to a majority vote of those present or represented and within limits provided by law.

Dividends unclaimed after five years from the date of declaration are liable to be forfeited in accordance with the provisions of Luxembourg laws and will accrue for the benefit of the relevant Sub-Fund.

The dividend policy of each Sub-Fund and Class is described in the relevant Appendix.

## **26. LIQUIDATION AND – MERGER**

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### ***26.1 Liquidation of Sub-Funds or Share Classes***

Each Sub-Fund is created for an unlimited period. A general meeting of Shareholders of a Sub-Fund, acting under the same majority and quorum requirements as are required to amend the articles of incorporation of the Company, may decide to cancel shares in a given Sub-Fund and refund Shareholders for the value of their shares. As soon as the decision to liquidate one of the Sub-Funds is taken, the issue of Shares in this Sub-Fund and the conversion of Shares into this Sub-Fund are prohibited and shall be deemed void; the redemption of shares remains possible, if the equal treatment of the shareholders is ensured.

No quorum will be required at this general meeting of the Shareholders and resolutions will be passed by a simple majority of the Shareholders present or duly represented and voting at such meeting, provided that the decision does not result in the liquidation of the Company.

If and when the net assets of a Share Class or of a Sub-Fund fall below an amount considered by the Board of directors as the minimum level allowing that Sub-Fund or Share Class to be operated in an economically efficient manner, or if any economic or political situation would constitute a compelling reason therefore, or in order to proceed to an economic rationalisation, or if required in the interest of the Shareholders of the relevant Sub-Fund, the Board of directors may decide to redeem all the Shares of that Sub-Fund without approval of the Shareholders.

Shareholders will be notified of the decision to liquidate, prior to the effective date of the liquidation, in a form permitted by laws or related regulations of the countries, where Shares of the Sub-Fund are sold. This notification will indicate the reasons for, and the procedures of the liquidation operations.

Unless the Board of directors otherwise decides in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge, but the redemption or conversion prices will take into account liquidation expenses.

All redeemed Shares will be cancelled.

Any liquidation proceeds from the liquidation of a Sub-Fund remaining unclaimed after closing of the liquidation will be deposited in escrow at the "Caisse de Consignations". Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg laws

The liquidation of the last of the Sub-Funds will trigger the liquidation of the Company.

## ***26.2 Liquidation of the Company***

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an extraordinary general meeting of Shareholders in the required manner for the amendments of the articles of incorporation of the Company, at which meeting one or several liquidators will be named and their powers defined.

If the assets of the Company fall below two-thirds of the minimum capital of one million two hundred and fifty thousand Euro (EUR 1,250,000. -), the Board of directors must submit the question of the Company's dissolution to the general meeting of Shareholders. The general meeting of Shareholders, for which no quorum will be required, will decide by simple majority of the votes of the Shares represented at the general meeting of Shareholders.

The question of dissolution of the Company will further be referred to the general meeting of Shareholders whenever the share capital falls below one-fourth of the minimum capital indicated above; in such event, the general meeting of Shareholders will be held without any voting quorum requirements and the dissolution may be decided by Shareholders holding one-quarter of the votes of the shares represented at the meeting.

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

Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Sub-Fund shall be distributed by the liquidators to the Shareholders of the relevant Sub-Fund in proportion to the value of their holding of Shares.

The decision to dissolve the Company will be published in accordance with legal requirements.

Any liquidation proceeds remaining unclaimed by the Shareholders at the liquidation of the Company will be deposited in escrow at the "Caisse de Consignations". Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg laws.

## ***26.3 Merger of Sub-Funds or Share Classes***

If and when the net assets of a Share Class or of a Sub-Fund fall below an amount considered by the Board of directors as the minimum level allowing that Sub-Fund or Share Class to be operated in an economically efficient manner, or if any economic or political situation would constitute a compelling reason therefore, or in order to proceed to an economic rationalisation, or if required in the interest of the Shareholders of the relevant Sub-Fund, the Board of directors may decide to allocate the assets of a Sub-fund to those of another existing Sub-fund within the Company or to another Luxembourg UCITS or to another sub-fund within such other Luxembourg UCITS (the New Sub-fund) and to repatriate the Shares of the Class or Classes concerned as shares of another (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be disclosed to the Shareholders thirty-five (35) days before its effectiveness (and, in addition, the notice will contain information in relation to the New Sub-fund), in order to enable the Shareholders to make an informed judgment of the impact of the merger and to request redemption of their Shares, free of charge, during such period.

Notwithstanding the powers conferred to the Board of directors by the above paragraph, a contribution of the assets and of the liabilities attributable to any Sub-fund to another Sub-fund within the Company may in any other circumstances be decided by a general meeting of Shareholders of the Class or Classes issued in the Sub-

fund concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.

Any merger leading to termination of the Company must be approved by a resolution of the general meeting of the Shareholders adopted in the manner required for amendments of the articles of incorporation of the Company. For the avoidance of doubt, this provision does not apply in respect of a merger leading to the termination of a Sub-Fund.

If the interest of the Shareholders of the relevant Sub-fund or in the event that a change in the economic or political situation relating to a sub-Fund so justifies, the Board of directors may decide upon the reorganisation of any Sub-Fund by means of a division into two or more separate Sub-Funds. Information concerning the new Sub-Fund(s) will be provided to the relevant Shareholders. Such notice will be disclosed at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or switch of their Shares, free of charge, before the reorganisation becomes effective.

## **27. DOCUMENTS AVAILABLE FOR INSPECTION**

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The following documents are deposited and kept available for inspection at the offices of the Depository Bank and the Company's registered office:

- the Articles;
- the Prospectus and Key Information Document
- the Depository Bank Agreement concluded between Bank Pictet & Cie (Europe) A.G., Luxembourg Branch and the Company;
- the Management Company Services Agreement between FundPartner Solutions (Europe) S.A. and the Company;
- the Investment Management Agreement between DECALIA S.A. and the Management Company;
- the Global Distribution Agreement made with DECALIA S.A.
- the annual and semi-annual reports of the Company.

## **28. INVESTMENT RESTRICTIONS**

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The Board of Directors has adopted the following restrictions relating to the investment of the Company's assets and its activities. These restrictions and policies may be amended from time to time by the Board of Directors if and as it shall deem it to be in the best interests of the Company, in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-Fund. Those restrictions contained in paragraph (E) below are applicable to the Company as a whole.

### ***28.1 Investments in eligible assets***

- (A) (1) Investments in the Company shall comprise exclusively:
- a) transferable securities and money market instruments listed or dealt in on a Regulated Market; and /or
  - b) transferable securities and money market instruments dealt in on an Other Regulated Market in a member State; and /or
  - c) transferable securities and money market instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State; and /or
  - d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange

or on an Other Regulated Market, and that such a listing will be obtained within one year of the date of issue.

- e) units/shares of UCITS and/or other UCIs, whether situated in a Member State or not, provided that:
- such other UCIs have been authorized under the laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (at the time of the present prospectus, the laws of Canada, Hong Kong, Japan, Norway, Switzerland or the United States),
  - the level of protection for unitholders/shareholders in such other UCIs is equivalent to that provided for unitholders/shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units/shares of other UCITS or other UCIs; and/or
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law; and/or
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market, stock exchange in an Other State or on an Other Regulated Market referred to in subparagraphs (a) to (c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (A)(1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
  - the counterparties to OTC derivative transactions are first class specialized institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.
- h) Money market instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an Member State, the European Central Bank, the European Union or the European Investment Bank, an Other State or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Market referred to in (a) to (c) above, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the net asset value of any Sub-Fund in transferable securities and money market instruments other than those referred to under (A)(1) above.

(B) Each Sub-Fund may:

- hold up to 20% of its net assets in bank deposits at sight, such as cash held in current accounts with a bank and accessible at any time, (i) for treasury purposes or (ii) for the time necessary to reinvest in eligible assets provided under article 41 (1) of the 2010 Law or (iii) for a period of time strictly necessary in case of unfavourable market conditions. This restriction shall only be temporarily breached for a period strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders.
- Invest in Cash Equivalents for treasury purposes (in normal market conditions).
- In case of unfavourable financial market conditions and for defensive purposes, on a temporary basis, invest up to 100% of its net assets in Cash Equivalents. For the avoidance of doubt, and unless otherwise provided in the relevant Sub-Fund's Appendix, investment in such assets, in such proportions, is not part of the core investment policy of the Sub-Fund.

(C) (1) Each Sub-Fund may invest no more than 10% of its net assets in transferable securities or market instruments issued by the same body.

Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

(2) (i) Furthermore, where any Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the net assets of such Sub-Fund;

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

(3) (i) The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (A)(1) (f) above or 5% of its net assets in other cases.

(ii) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (C)(1), (C)(2)(i), (C)(3)(i) and (v), (C)(4), (C)(5) and (C)(6)(i) and (iii). When the Sub-Fund invests in

index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (C)(1), (C)(2)(i), (C)(3)(i) and (v), (C)(4), (C)(5) and (C)(6)(i) and (iii).

(iii) When a transferable security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A)(1)(g), 2d indent, and (C)(3)(iv) as well as with the risk exposure and information requirements laid down in this Prospectus.

(iv) The Company shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

(v) Notwithstanding the individual limits laid down in paragraph (C)(1) and C(3)(i), a Sub-Fund may not combine:

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

(4) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities or by any Other State or by public international bodies of which one or more Member States are members.

(5) (i) The limit of 10% set forth below under (C)(1) above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in the qualifying debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(ii) The Transferable securities and money market instruments specified under (C) (i) and (C)(4) above shall not be included in the calculation of the limit of 40% under (C)(2)(i).

(6) (i) The limits set out in paragraphs (C)(1), C(2)(i), (C)(3)(i) and (v), (C)(4) and (C)(5)(i) above may not be combined and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or financial derivative instruments made with this body, effected in accordance with paragraphs (C)(1), C(2)(i), (C)(3)(i) and (v), (C)(4) and (C)(5)(i) may not, in any event, exceed a total of 35% of each Sub-Fund's net asset value.

(ii) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this item (C).

(iii) A Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

**(7) Where any Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by a Member**

**State, by its local authorities, by any other Member State of the Organisation for Economic Cooperation and Development (OECD), the G-20, Hong Kong or Singapore, or by public international bodies of which one or more Member States are members, the Company may invest up to 100% of the net assets of any Sub-Fund in such securities and money market instruments provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Sub-Fund.**

**Subject to having due regard to the principle of risk spreading, a Sub-Fund need not comply with the limits set out in articles 43 to 46 of the 2010 Law relating to undertakings for collective investment for a period of 6 months following the date of its authorisation and launch.**

- (8) Without prejudice to the limits set forth hereafter under (E), the limits set forth in (C)(1) are raised to a maximum of 20 % for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund 's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:
- the composition of the index is sufficiently diversified,
  - the index represents an adequate benchmark for the market to which it refers,
  - it is published in an appropriate manner.

The limit of 20% is raised to 35% where this proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- (D) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the net assets of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back-to-back loans for the purpose of acquiring foreign currency are not considered to be borrowings.
- (E) (i) The Company may not acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.
- (ii) The Company may acquire no more than
- (a) 10% of the non-voting shares of the same issuer,
  - (b) 10% of the debt securities of the same issuer,
  - (c) 10% of the money market instruments of any single issuer.

However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of instruments in issue cannot be calculated.

The limits set out in paragraph (E)(i) and (ii) above shall not apply to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by any Other State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held in the capital of a company incorporated in a non-Member State which invests

its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Sub-Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 paragraphs (1) and (2) of the 2010 Law relating to undertakings for collective investment.

- (v) shares held by one or more investment companies in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares/units at the request of shareholders/unitholders.
- (F) (i) Each Sub-Fund may acquire units/shares of the UCITS and/or other UCIs referred to in item (A)(e), provided that no more than 20% of a Sub-Fund 's net assets be invested in the units/shares of a single UCITS or other UCI.
- For the purpose of the application of investment limit, each sub-fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.
- (ii) Investments made in units/shares of UCIs other than UCITS may not in aggregate exceed 10% of the net assets of a Sub-Fund.
  - (iii) When a Sub-Fund invests in the units/shares of other UCITS and/or other UCIs linked to the Company by common management or control, or by a direct or indirect holding of more than 10%, or managed by a management company linked to the relevant Investment Manager, no subscription or redemption or management or performance fees may be charged to the Company on account of its investment in the units/shares of such other UCITS and/or UCIs.
  - (iv) The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units/shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units/shares issued by the UCITS/UCI concerned, all sub-funds combined.
  - (v) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.

The investment limits laid down above may be exceeded whenever subscription rights attaching to transferable securities or money market instruments which form part of the Company's assets are being exercised.

If such limits are exceeded as a result of exercising subscription rights or for reasons beyond the Company's control, the Company shall endeavour as a priority aim to redress the balance, while taking due account of the interests of the Company's Shareholders.

## **28.2 Prohibited Investments**

- (A) The Company may not invest directly in commodities (including precious metals). Indirect exposure may be obtained through cash settled certificates without an embedded derivative component.
- (B) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (C) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in 1. (A) (1) (e), (g) and (h).
- (D) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the net assets of the Sub-Fund, and then only as a temporary measure. For the

purpose of this restriction back-to-back loans for the purpose of acquiring foreign currency are not considered to be borrowings.

- (E) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (F) The Company will not underwrite or sub-underwrite securities of other issuers.

### ***28.3 Special Techniques and Instruments***

#### **A) General**

The Company may, for the purpose of efficient portfolio management of its assets or for hedging purposes, under the conditions and within the limits laid down by law, regulation and administrative practice and as described below, employ securities financing transactions (SFTs) such as securities lending, repurchase transactions, total return swaps (TRS), credit default swaps (CDS) and contracts for difference (CFD) and derivative instruments relating to transferable securities and money market instruments. The use and extent of use of such techniques and instruments will be set out in Appendix I in respect of each Sub-Fund separately.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in section “Investment Restrictions”. However, the overall risk exposure related to financial derivative instruments will not exceed the total net asset value of the Company. This means that the global exposure relating to the use of financial derivative instruments may not exceed 100% of the net asset value of the Company and, therefore, the overall risk exposure of the Company may not exceed 200% of its net asset value on a permanent basis. Each sub-fund will employ the commitment or VAR approach to calculate their global exposure accordingly to the risk profile of the Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

A Sub-Fund may also invest in OTC financial derivative instruments including but not limited to non-deliverable forwards, total return swaps, interest rate swaps, currency swaps, credit default swaps, and credit linked note for either investment or for hedging purposes. In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on exchange traded funds (“ETFs”) and other UCITS issues as described in CSSF circular 14/592 and with EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse of 25 November 2015 (“SFTR”).

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of Directive 2009/65/EC.

Under no circumstances shall the use of these operations cause a Sub-Fund to diverge from its investment objective.

#### ***General provisions related to SFTs and TRS***

The assets that may be subject to SFTs and TRS are limited to:

- short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities; or by supranational institutions and undertakings with EU, regional or world-wide scope;

- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity;
- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

For the time being, the Sub-Funds will not use SFT nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Funds use such techniques and instruments in the future, they will comply with applicable regulations and CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

The maximum proportion of assets under management that can be subject to TRS is specified in the Sub-Fund's Appendix.

The counterparties to the SFTs and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and minimum credit rating. The counterparties will generally be financial institutions based in an OECD member state and have investment grade credit rating. There will be no criteria regarding the legal form of the counterparties.

The Company will therefore only enter into SFTs and TRS with such counterparties that are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and who are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD.

The Company will collateralize its SFTs and TRS pursuant to the provisions set forth hereunder in section "Management of collateral and collateral policy".

The risks linked to the use of SFTs and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in section "Risk considerations".

Assets subject to SFTs and TRS will be safe kept by the Depositary.

#### *Policy on sharing of return generated by SFTs and TRS*

All revenues arising from SFTs and TRS, net of direct and indirect operational costs and fees, will be returned to the Company.

Nevertheless, agents and other intermediaries of the Company providing services in connection with SFTs and TRS may be remunerated as normal compensation of their services (Hereafter referred to as operational costs). These operational costs may reach a maximum of 30% of revenues arising from efficient portfolio management techniques and do not include hidden revenues.

The agents and other intermediaries of the Company are not related parties to the Company, the Investment Manager or the Management Company.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary Bank or Investment Manager – will be available in the annual report of the Company.

## **B) Management of collateral and collateral policy**

### 1) General

In the context of SFTs and OTC financial derivatives transactions, the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such

case. All assets received by the Company in the context of SFTs (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

## 2) Eligible collateral

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the criteria provided in Article 43 paragraphs (a) to (h) of the CSSF Circular 14/592, which transposed the Guidelines issued by the European Securities and Market Authority (ESMA) “ESMA 2014/937”:

- (a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the UCITS Directive.
- (b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (c) Issuer credit quality – collateral received should be of high quality.
- (d) Correlation – the collateral received by the UCITS should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.  
Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the UCITS receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the UCITS’ net asset value. When a UCITS is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a UCITS may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS’ net asset value. UCITS that intend to be fully collateralised in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.
- (e) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (f) Where there is a title transfer, the collateral received should be held by the depositary of the UCITS. 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.
- (g) Collateral received should be capable of being fully enforced by the UCITS at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

- a. Cash and Cash Equivalents, including short-term bank certificates and money market Instruments;

- b. Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- c. Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- d. Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- e. Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- f. Shares 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, on the condition that these shares are included in a main index.

Notwithstanding the previous paragraphs, in line with the CSSF Circular 14/592, at the date of the prospectus, collateral will only be accepted if received as:

- Cash and Cash Equivalents, including short-term bank certificates and money market instruments;
- Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope.

To the extent that this policy should be reviewed by the Investment managers, the prospectus will be amended accordingly.

### 3) Level of collateral required

The level of collateral received in the context of securities lending transactions, shall be equal at least equivalent to 90% of the global valuation (taking into account any haircut policy, interests, dividends and other eventual rights included) of the securities lent, during the lifetime of the lending agreement.

For any other efficient portfolio management techniques or OTC derivatives, the level of collateral required will be at least 100% of the exposure to the relevant counterparty. This will be achieved by applying the haircut policy set out below.

### 4) Haircut policy

Collateral will be valued on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. This policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

In case of non-cash collateral, an haircut will be applied. The Investment Manager will only accept non-cash collateral which does not exhibit high price volatility. The non-cash collateral received on behalf of the Company will typically be government debts and supranational debt securities.

For non-cash collateral, a haircut of 1% to 8% will be applied as follows:

Government debts and supranational debt securities	Remaining stated maturity	Haircut applied
	Not exceeding 1 year	1%
1 to 5 years	3%	
5 to 10 years	4%	
10 to 20 years	7%	
20 to 30 years	8%	

## 5) Reinvestment of collateral

In accordance with the provision of Article 43 (i) and (j) of the CSSF Circular 14/592, if the collateral received is the form of cash, the collateral should only be:

- placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds (CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

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

Non-cash collateral received by the Company may not be sold, re-invested or pledged.

### **(C) Securities Lending, reverse repurchase and repurchase agreement transactions, sale with right of repurchase transaction**

The techniques and instruments mentioned in this section may only be applied for the purpose of efficient portfolio management. They are further only allowable provided (i) they are economically appropriate in that they are realised in a cost-effective manner, (ii) they are entered into to reduce risks, reduce costs and/or generate additional capital or income for a Sub-Fund in consistence with the risk profile and risk diversification rules applying to such Sub-Fund, and (iii) their risks are adequately captured by the risk management process of the Company.

Such techniques and instruments may comprise the following:

- a) securities lending (operations de prêt de titres);
- b) sale with a right to repurchase transactions (operations à réméré); and
- c) reverse repurchase and repurchase agreement transactions (operations de prise/mise en pension).

The Company will respect all rules established by the CSSF in relation to the transactions carried out under section III. 4. a) through c) in the CSSF-Circular 08/356 and any additional laws, regulations and provisions, including CSSF-Circular 14/592, as further amended and supplemented which may apply to such transactions.

The Company involvement in such transactions is, however, subject to the additional following rules:

- (i) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (ii) The Company will ensure that the volume of securities lending transactions is limited to an appropriate level and that it will be able all times (i) to request the restitution of the securities lent or (ii) to terminate any securities lending transaction into which it has entered, in such a way that it can meet its redemption

obligations at all times and so that such transactions do not compromise the management of the Fund's assets in compliance with its investment policy.

- (iii) The risk exposure to a single counterparty of the UCITS arising from OTC financial derivative transactions and efficient portfolio management shall be combined when calculating the counterparty risk limits and will not exceed 10% of the assets of the concerned Sub-Fund when the counterparty is a credit institution referred to Article 41, paragraph (1) (f) of the Law of 17 December 2010 or 5% of the concerned Sub-Fund's assets in other cases.

The Company does not intend to enter into reverse repurchase or repurchase agreement transactions nor into sale with right of repurchase transaction.

Nevertheless, the Company may, on an ancillary basis, enter into securities lending transactions in line with the applicable provisions of the Law of 17 December 2010 and respective CSSF Circular 08/356 and CSSF circular 14/592, as further amended and supplemented. In case the Company decides to use securities lending transactions, the prospectus will be amended accordingly in order to describe the policy regarding direct and indirect operational cost/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the Company and to indicate the identity of the entity(ies) to which the direct and indirect costs and fees are paid and if they are related parties to the Management Company or to the Depositary.

The Company may only participate in securities lending transactions with a standardized lending system organized by a recognized securities clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by UE law and specialized in that type of transactions.

As part of lending transactions, the Company must in principle receive appropriate collateral, the value of which at the conclusion of the contract must be at least equal to the global valuation of the securities lent. At maturity of the securities lending transaction, the appropriate collateral will be remitted simultaneously or subsequently to the restitution of the securities lent.

With respect to securities lending, the Company will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least the total value of the securities lent (interest, dividends and other potential rights included) as further described hereunder in section "Collateral Management and Policy".

Lending transactions may not be carried out on more than 50% of the aggregate market value of the securities in the portfolio and may not extend beyond a period of 30 days.

#### **(D) Total Return Swaps**

When the investment policy of a Sub-Fund provides that the latter may invest in total return swaps and/or other derivative financial instruments that display similar characteristics, these investments will be made in compliance with the investment policy of such Sub-Fund.

When entering into Total Return Swaps ("TRS") arrangements, which for sake of clarity, also need to comply with the provisions applicable to TRS under the SFTR, the Company must respect the limits of diversification referred to in Articles 43, 44, 45, 46 and 48 of the 2010 Law. Likewise, in accordance with Article 42 (3) of the 2010 Law and Article 48 (5) of CSSF Regulation 10-4, the Company must ensure that the underlying exposures of the TRS (respectively other similar financial instrument) are taken into account in the calculation of the investment limits laid down in Article 43 of the 2010 Law.

Unless the investment policy of a Sub-Fund provides otherwise, such total return swaps and other derivative financial instruments that display the same characteristics may have underlyings such as currencies, interest rates, transferable securities, a basket of transferable securities, indexes, or undertakings for collective investment.

- The Company may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption

obligations and the commitments arising out of such transactions.

- The counterparties will be leading financial institutions specialised in this type of transaction and subject to prudential supervision. These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.
- Combined risk exposure to a single counterparty may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the law of 17 December 2010 or 5% of its assets in any other cases.
- The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The rebalancing of said index shall not give rise to any costs for the Sub-Fund in question.

The total return swaps and other derivative financial instruments that display the same characteristics shall not confer to the SICAV a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency of the counterparty may make it impossible for the payments envisioned to be received.

The total commitment arising from total return swap transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of total return swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The total return swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically, investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

TRS will typically be divided into two categories, namely "funded" and "unfunded", depending on whether or not the credit protection seller makes an initial principal payment in respect of the reference asset. In the event that a Sub-Fund invests in TRS, such category will be specified in the investment policy of that Sub-fund.

## **(E) Credit Default Swaps**

When the investment policy of a Sub-Fund provides that the latter may invest in credit default swaps these investments will be made in compliance with the investment policy of such Sub-Fund.

A credit default swap is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swaps and Derivatives Association Inc. (ISDA)<sup>®</sup> has produced standardized documentation for these transactions under the umbrella of its ISDA Master Agreement.

A Sub-Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, such a Sub-Fund may, provided it is in its exclusive interest, buy protection under credit default swaps without holding the underlying assets or may also sell protection under credit default swaps in order to acquire a specific credit exposure.

The Company will only enter into credit default swap transactions with highly rated financial institutions

specialized in this type of transaction and only in accordance with the standard terms laid down by the ISDA®. Also, the Company will only accept obligations upon a credit event that are within the investment policy of the concerned Sub-Fund.

The Company will ensure can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from credit default swaps.

#### **(F) Contracts for Difference**

A contract for difference is a contract between two parties, buyer and seller, stipulating that the seller will pay to the buyer the difference between the current value of an asset (a security, instrument, basket or index) and its value at contract time. If the difference is negative, then the buyer pays instead to the seller. Contracts for differences allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date or contract size. Unlike shares, with CFDs the buyer is potentially liable for more than the amount initially invested. The Fund will therefore employ risk management techniques with the aim of ensuring it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from contracts for difference and other techniques and instruments.

#### **(G) Disclosure to Investors**

In connection with the use of techniques and instruments ant Company, will, in its financial reports, disclose the following information:

- the exposure obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the UCITS to reduce counterparty exposure;
- the use of TRS and SFTs pursuant to the SFTR.
- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

## **29. BENCHMARK**

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In accordance with the provisions of the Benchmark Regulation, supervised entities may use benchmarks in the EU if the benchmark is provided by an administrator which is included in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation (the “Register”).

Benchmark administrators located in the EU whose indices are used by the Company benefit from the transitional provisions under the Benchmark Regulation and accordingly may not yet appear on the Register. Benchmark administrators located in the EU should apply for authorization or registration as an administrator under the Benchmark Regulation and be inscribed in the Register. Benchmark administrators located in a third country whose indices are used by the Company benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the Register.

Benchmark administrators whose indices are used by the Company are detailed in the description of the Sub-Funds.

The Management Company maintains a written plan setting out the actions that will be taken in the event that an index materially changes or ceases to be provided. The written plan is available upon request and free of charge at the registered office of the Management Company.

### **30. POOLING**

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All or any part of the pools of assets established for each Sub-Fund (the “Participating Funds”) may be managed on a pooled basis where it is applicable with regard to their respective investment sectors to do so. Any such enlarged asset pool (the “Enlarged Asset Pool”) shall first be formed by transferring to it cash or (subject to the limitations mentioned below) other assets from each of the Participating Funds. Thereafter the Investment Manager may from time to time make further transfers to the Enlarged Asset Pool. It may also transfer assets from the Enlarged Asset Pool to a Participating Fund, up to the amount of the participation of the Participating Fund concerned. Assets other than cash may be allocated to an Enlarged Asset Pool only where they are appropriate to the investment sector of the Enlarged Asset Pool concerned. A Participating Fund will have rights against all the cash and other assets included in the Enlarged Asset Pool.

A Participating Fund's participation in an Enlarged Asset Pool shall be measured by reference to notional units (the “Units”) of equal value in the Enlarged Asset Pool. On the formation of an Enlarged Asset Pool, the Investment Manager shall in its discretion determine the initial value of a Unit which shall be expressed in such currency as the Investment Manager considers appropriate and shall allocate to each Participating Fund Units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed.

Fractions of Units, calculated to three decimal places, may be allocated as required. Thereafter the value of a Unit shall be determined by dividing the net asset value of the Enlarged Asset Pool (calculated as provided below) by the number of Units subsisting.

When additional cash or assets are contributed to or withdrawn from an Enlarged Asset Pool, the allocation of Units of the Participating Fund concerned will be increased or reduced, as applicable, by a number of Units determined by dividing the amount of cash or value of assets contributed or withdrawn by the current value of a Unit. Where a contribution is made in cash it may be treated for the purpose of this calculation as reduced by an amount which the Investment Manager considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of a cash withdrawal a corresponding addition may be made to reflect costs which may be incurred in realising securities or other assets of the Enlarged Asset Pool.

The value of assets contributed to, withdrawn from, or forming part of an Enlarged Asset Pool at any time and the net asset value of the Enlarged Asset Pool shall be determined in accordance with the provisions under section 15 of this Prospectus provided that the value of the assets referred to above shall be determined on the day of such contribution or withdrawal.

Dividends, interests and other distributions of an income nature received in respect of the assets in an Enlarged Asset Pool will be immediately credited to the Participating Funds, in proportion to their respective entitlements to the assets in the Enlarged Asset Pool at the time of receipt.

### **31. MASTER FEEDER STRUCTURE**

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Subject to the respect of the provisions of Chapter 9 of the 2010 Law, the Company or one of its Sub-Fund may become a feeder UCITS by investing at least 85% of its assets in shares of another UCITS or any of its Sub-Funds (the “Master UCITS”).

The Company or one of its Sub-Fund may also become a Master UCITS if is not itself a feeder UCITS, if it does not hold units of a feeder UCITS and if it has among its shareholders at least one feeder UCITS.

At this time, the Company does not adopt one of the other structures.

In case the Company decides to put in place master feeder structure, the set up shall be subject to the prior approval of the Luxembourg Supervisory Authority, the Commission de Surveillance du Secteur Financier (CSSF) and shall be specifically disclosed in the Company's Prospectus and marketing communications.

## 32. RISK MANAGEMENT PROCESS

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

The Company will either use the commitment approach or the Value-At-Risk approach (VaR). This will be specified in Appendix I for each Sub-Fund.

**Commitment Approach:** under this approach, the Company's financial derivative positions are converted into the market value of the equivalent position in the underlying asset; or the notional value or the price of the futures contract where they are more conservative. Netting and hedging rules may also be used.

**VaR Approach:** It estimates how much a set of investments might lose, given normal market conditions as well as the probability of occurrence for the defined loss. VaR is measured by assessing the amount of potential loss, the probability of occurrence for the amount of loss and the time frame.

- *Absolute VaR Approach:* the absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark. Under the Absolute VaR Approach a limit is set as a percentage of the Net Asset Value of the Sub-Fund. The Absolute VaR limit has to be set at or below 20% of its Net Asset Value. This limit is based upon a 1 month holding period and a 99% unilateral confidence interval.
- *Relative VaR Approach:* the relative VaR approach is used where a VaR benchmark reflecting the investment strategy which the Sub-Fund is pursuing is defined. Under the relative VaR approach a limit is set as a multiple of the VaR of a benchmark or reference portfolio. The relative VaR limit has to be set at or below twice the VaR of the Sub-Fund's VaR benchmark.

## 33. RISK CONSIDERATIONS

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### 33.1 General

The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in equities, fixed income securities, currency instruments, derivatives and other similar instruments. Investors should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment.

Where the currency of the relevant Sub-Fund varies from the Investor's home currency, or where the currency of the relevant Sub-Fund varies from the currencies of the markets in which the Sub-Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

The Company bears the general risks laid down below. However, each Sub-Fund is subject to specific risks, which the Management Company will seek to lower, as listed in the Appendix I.

### 33.2 Equity Securities

Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

### ***33.3 Investment in Collective Investment Schemes***

Investment in collective investment schemes may embed a duplication of the fees and expenses charged to the Company, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, custodian bank fees and other service providers' fees. The accumulation of these costs may entail higher costs and expenses than would have been charged to the Company if the latter had invested directly. The Company will however seek to avoid any irrational multiplication of costs and expenses to be borne by investors.

Also, the Company must ensure that its portfolios of targeted collective investment schemes present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to meet redemption requests as and when they are submitted. Any absence of liquidity may impact the liquidity of the Company's Shares and the value of its investments.

### ***33.4 Investment in Warrants***

Investors should be aware of, and prepared to accept, the greater volatility in the prices of warrants which may result in greater volatility in the price of the Shares. Thus, due to their nature, warrants may involve Shareholders in a greater degree of risk than conventional securities would do.

### ***33.5 Stock Market Volatility***

The net asset value of the Company will reflect the volatility of the stock market. Stock markets are volatile and can move significantly in response to the issuer, demand and supply, political, regulatory, market and economic developments.

### ***33.6 Issuer-Specific Risk***

The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

### ***33.7 Interest Rate Risks***

The net asset value of the Company will change in response to fluctuations in interest rates. Generally, interest rate risk involves the risk that when interest rates decline, the market value of bonds tends to increase, and vice versa. The extent to which the price of a bond changes as the interest rates move may differ by the type of the debt securities.

### ***33.8 Investment in derivative instruments***

#### ***Risk related to derivative instruments***

Under certain conditions, the Company may use options and futures on securities, indices and interest rates, as described in the Prospectus under "Investment Restrictions", for the purpose of efficient portfolio management. Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts. In order to facilitate efficient portfolio management and to better replicate the performance of the benchmark, the Company may finally, for a purpose other than hedging, invest in derivative instruments. The Company may only invest within the limits set out in the Prospectus under "Investment Restrictions".

- Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Financial futures prices are highly volatile and influenced by a variety of diverse factors including, i.a., changing supply and demand relationships, government, fiscal, monetary and exchange control programs and policies, national and

international political and economic events and government intervention in certain markets, particularly in the currency and interest rate markets. Futures are also subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached.

- Transactions in options also carry a high degree of risk. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

### ***Legal risk***

There may be a risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly. There may be a risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of contracts, laws or regulations. The use of Over the Counter (OTC) derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Sub-Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties. The terms of Over the Counter Financial Derivative Instrument (OTC FDI) are generally established through negotiation between the parties thereto. While therefore more flexible, OTC FDI may involve greater legal risk than exchange-traded instruments, which are standardized as to the underlying instrument, expiration date, contract size and strike price, as there may be a risk of loss if the OTC FDI are deemed not to be legally enforceable or are not documented correctly. There may also be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the OTC FDI. A Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, and that those payments may be delayed or made only after the Fund has incurred the costs of litigation. Further, legal, tax and regulatory changes could occur which may adversely affect a Fund. The regulatory and tax environment for FDI is evolving, and changes in the regulation or taxation of FDI may adversely affect the value of such instruments held by the Fund and the Fund’s ability to pursue its trading strategies.

### ***Counterparty Risk***

When entering into OTC transactions the Company will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Company will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy and may reduce the exposure incurred in connection with such transactions through the receipt of collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that counterparty will not default or that the Company will not sustain losses as a result.

### ***Control and Monitoring***

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Company and the ability to forecast the relative price, interest rate or currency rate movements correctly.

### ***Market Risk***

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to the Company's interests.

### ***Liquidity Risk***

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Company will only enter into OTC derivatives if it is allowed to liquidate such transactions at any time at fair value).

### ***Operational & Custody Risk***

Operational risk is the risk of contract on financial markets, the risk of back office operations, custody of securities, as well as administrative problems that could cause a loss to the sub funds. This risk could also result from omissions and inefficient securities processing procedures, computer systems or human errors.

### ***Other Risks***

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which may act as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Company. However, this risk is limited as the valuation method used to value OTC derivatives must be verifiable by an independent auditor.

### ***Risks related to Total Return Swap***

A total return swap is an agreement under which two parties commit to exchange (swap) the total return of a predefined financial instrument against the payment of a fixed or floating interest rate. The underlying financial instrument may be an equity instrument, an index, a bond or a credit instrument. The underlying instrument may or may not be booked in the name of the counterparty to the swap transaction during the life of the swap agreement. A total return swap allows the Company to receive the return of the underlying financial asset without having to acquire it directly in its name. Beside the general counterparty risk, market risk and liquidity risk, an investment in a total return swap may in addition entail the risk of the counterparty not being able to evaluate one of the payments to be made under the swap agreement.

### ***33.9 Political and/or Regulatory Risks***

The value of the Company's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

The Company is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional adviser for further information in this area.

### ***33.10 Funds Investing in Lower Rated, Higher Yielding Debt Securities***

The Sub-Funds may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in these Sub-Funds is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

### ***33.11 Market and Settlement Risks***

- The securities markets in some countries lack the liquidity, efficiency and regulatory and supervisory controls of more developed markets.
- Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to assess reliably the market value of assets.
- The share register may not be properly maintained, and the ownership or interest may not be (or remain) fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds.
- Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

### ***33.12 Foreign Exchange/Currency Risk***

Although Shares in the Company may be denominated in a particular currency, the Company may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Company as expressed in its Base Currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Company's investments are denominated. The Company may therefore be exposed to a number of risks as follows:

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.
- It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

### ***33.13 Execution and Counterparty Risk***

The Company may be subject to the risk of the inability of the counterparty, or any other entities, in or with which an investment or transaction is made, to perform in respect of undertaken transactions, whether due to insolvency, bankruptcy or other causes.

In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

### ***33.14 Potential conflicts of interest***

The Management Company and/or the Investment Manager and other companies of the Investment Manager or their groups may carry out operations in which they directly or indirectly have an interest that could conflict with their obligations towards the Company. The Management Company and its delegates will ensure that these operations are carried out under conditions that are as favourable for the Company as those that would have prevailed in the absence of the potential conflict of interest and that applicable policies and procedures are complied with. Such conflicts of interest or commitments may arise from the fact that the Management Company and its delegates, or other members of their groups, have directly or indirectly invested in the Company.

More specifically, the Management Company and its delegates, by virtue of the rules of conduct applicable to them, must endeavour to manage all conflicts of interest in accordance with their respective conflicts of interest policies.

### ***33.15 Illiquidity/Suspension of Share dealings***

Some Sub-Funds may face temporary illiquidity situations due to parameters such as market activity, small volumes of investments or difficulties in the pricing of underlying investments.

Under certain exceptional circumstances, such as unusual market conditions, an unusual volume of repurchase requests or other, illiquidity situations may lead the Company to suspend or defer the redemption or conversion of Shares.

### ***33.16 Depositary Risk***

The Depositary's liability only extends to its own negligence and wilful default and to that caused by the negligence or wilful misconduct of its local agent and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses, the Company will have to pursue its rights against the issuer and/or the appointed registrar of the securities.

Securities held with a local correspondent or clearing / settlement system or securities correspondent ("Securities System") may not be as well protected as those held within Luxembourg. In particular, losses may be incurred as a consequence of the insolvency of the local correspondent or Securities System. In some markets, the segregation or separate identification of a beneficial owner's securities may not be possible, or the practices of segregation or separate identification may differ from practices in more developed markets.

### ***33.17 Taxation***

Potential investors' attention is drawn to the taxation risks associated with investing in the Company. Further details relating to the Luxembourg tax legislation are given under the heading "Tax Aspects" in the main part of the prospectus.

However, nothing in this Prospectus may be construed any tax advice and investors should consult their own professional advisers regarding any tax issues in the context of any contemplated investment in the Company.

### ***33.18 Risk arising from investments in emerging markets***

Payment suspensions and default in developing countries are due to various factors, such as political instability, bad financial management, a lack of currency reserves, capital leaving the country, internal conflicts or the lack of the political will to continue servicing the previously contracted debt.

The ability of issuers in the private sector to face their obligations may also be affected by these same factors. Furthermore, these issuers suffer the effect of decrees, laws and regulations introduced by the government authorities. These may be the modification of exchange controls and amendments to the legal and regulatory system, expropriations and nationalisations and the introduction of, or increase in, taxes, such as deduction at source.

### ***33.19 Risks arising from investments in structured products.***

Structured products are usually defined as stocks whose returns are linked to the value of another asset (e.g. an index, a basket of securities or funds) or the probability of default. Thus, it is important to note that the purchase of structured products involves exposure to two types of risk: first, the risks associated with the underlying asset, secondly the risk of default of the structured product's issuer. The same principle applies in terms of costs: they are consistently applied in the structured product and at the level of the underlying asset. Finally, the liquidity of a structured product is not automatically linked to the liquidity risk or the underlying asset, as the issuer of a structured product may authorize refunds and / or they can be traded on a secondary market. However, structured products offering this kind of liquidity are generally more expensive.

### **33.20 Risks arising from investments in distressed (default) securities.**

Holding distressed securities creates significant risk due to the possibility that bankruptcy may render such securities worthless (zero recovery). While potentially lucrative, these investment strategies require significant levels of resources and expertise to analyse each instrument and assess its position in an issuer's capital structure along with the likelihood of ultimate recovery.

Distressed securities tend to trade at substantial discounts to their intrinsic or par value and are therefore considered to be below investment grade. Under certain circumstances the Sub-Fund could sale these positions in the investor interest. A major risk of investing in distressed securities comes from the difficulties in appraising them at fair value.

### **33.21 Risks arising from investments in Contingent Convertible Bonds**

Contingent Convertibles Bonds, also known as “CoCo bonds”, are complex regulated instruments. They often offer better performance than conventional bonds as a result of their specific structure and the place they occupy in the capital structure of the issuer (subordinated debt). Hybrids instruments, including CoCo bonds, contain features of both debt and equity. CoCo bonds are slightly different to regular convertible bonds because they are designed to convert into shares if a pre-set trigger (or at the discretion of Regulatory Authorities in some cases) is breached in order to provide a shock boost to capital levels.

The following list contains examples of specific risks connected to CoCo bonds; this list being not exhaustive:

- Trigger risk level: each instrument has its own characteristics. The level of conversion risk may vary, for example depending on the distance between the issuer's Tier 1 ratio and a threshold defined in the terms of issue. The occurrence of the contingent event may result in a conversion into shares or even a temporary or definitive writing off of all or part of the debt.
- Conversion risk: the behaviour of this instrument in the event of conversion may be unpredictable. The investment manager may be required to sell its securities in the event of a conversion into shares in order to comply with the sub-fund's investment policy.
- Coupon cancellation: with certain type of CoCo bonds, the payments of coupons are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.
- Capital structure inversion risk: contrary to classic capital hierarchy, CoCo bonds investors may suffer a loss of capital when equity holders do not. This is particularly the case when the trigger threshold is set at a high level.
- Call extension risk: certain types of CoCo bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that investors will be able to recover their capital on the optional reimbursement dates provided for in the terms of issue.
- Unknown risk: the structure of the instruments is innovative yet untested. The behaviour of the CoCo bonds during a period of stress and testing of conversion levels may be highly unpredictable.
- Yield/Valuation risk: Yield has been a primary reason this asset class has attracted strong demand, but it may not be the only criterion guiding the valuation and the investment decision. It should be viewed as a complexity premium.
- Liquidity risk: as with the high yield bond market, the liquidity of CoCo bonds may be affected significantly in the event of a period of turmoil in the markets.
- Risk of concentration in a single industry: to the extent that CoCo bonds are issued by a single category of issuer, adverse events in the industry could affect investments in this type of instrument in a global manner.

### ***33.22 Risks arising from investments in Russia.***

The relative infancy of the Russian governmental and regulatory framework may expose investors to various political and economic risks. The Russian Securities Market from time to time may also suffer from a lack of market efficiency and liquidity which may cause higher price volatility and market disruptions. Investments in Russia through the MICEX-RTS stock exchange or other outside markets are exposed to greater risk in terms of ownership and custody of securities.

***The MICEX-RTS is currently the sole regulated Market in Russia. In accordance with Article 41(2)a) of the 2010 Law, investment in Russia by a Sub-Fund through other non- Regulated Markets cannot exceed 10% of the net assets of the relevant Sub-Fund.***

### ***33.23 Risks arising from investments in China.***

The legal rights of investors in China are uncertain, government intervention is common and unpredictable, and some of the major trading and custody systems are unproven. In China, it is uncertain whether a court would protect the fund's right to securities it may purchase, whether purchased via a local broker under a Qualified Foreign Institutional Investor (QFII) Licence, the Stock Connect program or other methods. The structure of these schemes does not require full accountability of some of its component entities and leaves investors with relatively little standing to take legal action in China. The regulations of these schemes may be subject to change.

**Stock Connect program** - The Shanghai or Shenzhen-Hong Kong Stock Connect programs (Stock Connect) are joint projects of the Hong Kong Exchanges and Clearing Limited (HKEX), China Securities Depository and Clearing Corporation Limited (ChinaClear), and the Shanghai and the Shenzhen Stock Exchanges. Hong Kong Securities Clearing Company Limited (HKSCC), a clearing house that in turn is operated by HKEX, acts as nominee for investors accessing Stock Connect Securities.

Creditors of the nominee or custodian could assert that the assets in accounts held for the funds are assets of the nominee or custodian. If a court should uphold this assertion, creditors of the nominee or custodian could seek payment from the assets of the relevant fund. HKSCC, as nominee, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners (such as the funds). Consequently, title to such securities, or the rights associated with them (such as participation in corporate actions or shareholder meetings), cannot be assured. Should the Company suffer losses resulting from the performance or insolvency of HKSCC, the Company would have no direct legal recourse against HKSCC, because Chinese law does not recognize any direct legal relationship between HKSCC and either the Company or the depository. Should ChinaClear default, HKSCC's contractual liabilities will be limited to assisting participants with claims. Recover lost assets could involve considerable delays, expenses, and may not be successful.

**Currencies** - In China, the government maintains two separate currencies: onshore renminbi (which must remain within China and generally cannot be owned by foreigners) and offshore renminbi (which can be owned by anyone). The exchange rate and the extent to which the currencies can be exchanged is determined by a combination of market and government actions. This effectively creates currency risk within a single nation's currency, as well as liquidity risk.

**Sustainability risks** - In China, sustainability risks may apply to investments and cause their value to be impacted by the occurrence of environmental, social or governance events/conditions. Environmental risk is related to extreme weather events such as droughts, floods and storms, as well as progressive environmental degradation of natural resources, such as air or water, and can have financial impact on companies, which may be affected by higher carbon, water and waste management prices. The process of transition towards a lower-carbon economy, adaptation to technological changes and adoption of safety/environmental regulations can result in financial risk. Social risk is linked to health, safety and human rights and the value of investments may be influenced by failure of employee welfare or due to unethical practices. Governance risk in China is more

evident than in developed markets because of sub-optimal corporate governance practices (independence and composition of board) and implications of governmental intervention creating uncertainty for investors.

### ***33.24 Risks arising from the use of credit ratings to evaluate securities.***

Credit ratings issued by credit rating agencies may be used to evaluate securities. Credit rating agencies do not, however, evaluate the market value risk of lower-quality securities and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the condition of the issuer that affect the market value of the security. Consequently, credit ratings are used only as a preliminary indicator of investment quality.

### ***33.25 Securities downgrade risk***

***Where a security is downgraded, there will be an increased risk of default on repayment which in turn translates into a risk that the capital value of the Company will be affected. Investors should be aware that the yield or the capital value of the Company (or both) could fluctuate. The Company will sell, in the shortest time, any securities that are downgraded below the minimum rating mentioned in the description of the Sub-Funds.***

### ***33.26 Sustainability risk - Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (« SFDR »)***

- In accordance with article 2 of the SFDR, sustainability risk is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The impact of environmental, social and governance factors on the value of an investment may vary depending not only on its business activities (e.g., asset type, the sector, size, geographic location and the stage in the life cycle, and liabilities) but also on the governance and strategy of the company for managing them.
- In accordance with article 3 of the SFDR, sustainability risks are integrated in the investment decision-making process of the Fund. The risk assessments and investment decisions are based on internal and external research and assessments on sustainability factors and sustainability risks.
- For the purposes of Article 7(2) of SFDR, the Management Company confirms in relation to the Fund and each Sub-Fund that it does not consider the adverse impacts of investment decisions on sustainability factors at the present time. Sustainability factors are defined by SFDR as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The main reasons for which the Management Company is currently not considering adverse impacts is the absence of sufficient data and data of a sufficient quality to allow the Management Company to define material metrics for disclosure.

The Management Company intends to monitor the industry position closely and to update its approach in due course as the industry position evolves and further regulatory guidance is made available. Pictet Group, of which the Management Company is an integral part, has committed to comply with the provisions of a number of international and Swiss codes for responsible investment. In addition, as outlined in the Group's Sustainability & Responsible ambitions 2025, it is Pictet Group's intention to not only consider, but mitigate where possible, material adverse impacts of investments and operations.

### ***33.27 Use of index***

Any index used in this document is the intellectual property of its relevant owner (hereafter "the owner"). The owner has not been involved in any way in the creation of any reported information and does not give

any warranty and excludes any liability whatsoever (whether in negligence or otherwise) – including without limitation for the accuracy, adequateness, correctness, completeness, timeliness, and fitness for any purpose – with respect to any reported information or in relation to any errors, omissions or interruptions in the relevant index or its data. Any dissemination or further distribution of any such information pertaining to the owner is prohibited.

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### ***33.28 Risk arising from investments in Special Purpose Acquisition Companies (SPACs)***

A SPAC is a publicly traded company with no commercial operations that raises investment capital through an initial public offering (IPO) for the purpose of acquiring or merging with an existing operating company. The SPAC has four phases: i) establishment of the SPAC by the promoters and sponsors who carry out a capital increase; ii) IPO initial offer with assignment of shares and warrants; iii) identification of a target company to be acquired; iv) business combination, or liquidation of the SPAC within 12/24 months. The SPAC is initially financed by promoters, sponsors who bear the costs of the IPO.

An investment in a SPAC prior to an acquisition is subject to the risks that the proposed acquisition or merger may not obtain the requisite approval of SPAC shareholders, may require governmental or other approvals that it fails to obtain or that an acquisition or merger, once effected, may prove unsuccessful and lose value.

Investments in SPACs are also subject to the risks that apply to investing in any IPO, including the risks associated with companies that have little operating history as public companies. The value of the securities is particularly dependent on the ability of the management to identify and complete a profitable business combination.

In addition, the market for newly public companies may be volatile, and share prices may register significant fluctuation over short periods of time also in consideration of the limited number of shares that may be available for trading. Although some IPOs may produce high returns, such returns are not typical and may not be sustainable. Any equity investments made in the SPAC in connection with a proposed business combination will be diluted by the acquisition itself and any further fundraising post-acquisition by the acquired operating business.

It should anyway be considered that the shareholders of a SPAC have the right to redeem their shares rather than participating to the merger or business combination, exercising their redemption rights.

**Appendix I**

**SUB-FUNDS IN OPERATION**

# DECALIA – Muse

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## **1. Base Currency**

The Base Currency of the Sub-Fund is the US dollar (USD).

## **2. Investment objective, policy and strategy**

### **Sustainability criteria**

While paying particular attention to the governance, environmental and social impact aspects of the companies applying for the investment, the delegated investment manager has not incorporated the ESG criteria and the EU criteria for environmentally sustainable economic activities (within the meaning of the Taxonomy Regulation) into its investment or investment process or risk assessment.

The investment manager considers that the sustainability risks, that the Sub-Fund may be subject to, are likely to have an immaterial impact on the value of the Sub-Fund's investments in the medium term as the portfolio is sufficiently diversified (both by sector and by number of investments) that any negative impact on the value of one investment would not be expected to have a significant overall impact on the returns of the Sub-Fund.

However, the investment manager has integrated sustainability risks into the investment decision-making process. This integration is reflected in its ESG policy.

### **Investment Objective**

The Sub-Fund's investment objective is to seek attractive long-term capital growth, measured in US dollars (USD), by investing in equities of global companies combining superior business quality and attractive valuation. Valuation is focused on intrinsic value of a business for a long-term investor.

The Sub-Fund is actively managed. The index MSCI AC World Daily TR Net USD is only used for the calculation of the performance fee (payable to the Investment Manager) and for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from the index.

### **Investment Policy**

#### Main investments

The Sub-Fund will invest at least two-thirds of its net assets in worldwide developed markets equities and equity-related securities (including but not limited to closed-ended Real Estate Investment Trusts (REITS), ADR (American Depositary Receipt) and GDR (Global Depositary Receipt)).

The choice of investments will neither be limited by geographical area (except a maximum of 20% of the Sub-Fund's net assets in emerging countries), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a specific focus may be put on a single country (or some countries) and/or on a single currency and/or on a single economic sector.

To ensure eligibility for the partial tax exemption for equity funds for German investors, the Sub-Fund will continuously invest at least 51% of its net assets in equity assets as defined in sec. 2 para 8 of German Investment Tax Act (2018).

#### Other investments and peculiarities

Within a maximum of one-third of its net assets, the Sub-Fund may invest in any other type of eligible assets

such as money market instruments, debt securities (including convertible bonds), structured products, undertakings for collective investment (UCIs) and cash which, in normal circumstances, should represent around a maximum of 15% of the Sub-Fund's net assets.

However, the Sub-Fund may invest directly in the assets listed below, subject to the following limits:

- Maximum 10% of its net assets in UCIs.
- Maximum 10% of its net assets in closed-ended REITS qualifying as transferable securities.
- Maximum 10% of its net assets in SPACs (Special Purpose Acquisition Companies).
- Maximum of 10% of its net assets in China A-shares, via the use of the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect markets, or any similar acceptable securities trading and clearing linked programmes or any other eligible means providing Chinese companies stock market access which may be available.
- Maximum 10% of its net assets in contingent convertible bonds.
- Maximum 5% of its net assets in non-investment grade debt securities.
- Maximum 5% of its net assets in debt securities (or issuers) unrated and/or graded below Standard & Poor's rating of BBB- or an equivalent rating issued by another rating agency.
- Maximum 15% of its net assets in structured products (as described below).

The Sub-Fund will not invest in distressed and defaulted debt securities.

Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold, up to 100% of its net assets in cash (at sight) and Cash Equivalents (as defined in the main body of the Prospectus, section "Definitions").

#### Structured products

The Sub-Fund may invest up to 15% of its net assets in structured products (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities (including precious metals) with cash settlement.

The investments in structured products with or without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement, will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of articles 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

Those investments may not be used to elude the investment policy of the Sub-Fund.

#### Financial Derivative Instruments and Securities Financing transactions

Within the limits set out in Section 30 "Investment restrictions" in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities, financial indices (including volatility derivatives), and currency derivatives (such as forward foreign exchange contracts) in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **3. Risk Monitoring**

The Sub-Fund's global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **4. Risk Factors**

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the "Risk Considerations" before determining to invest in the Sub-Fund.

### **5. Performance History**

This Sub-Fund's historical performance may be consulted in the current *Key Investor Information Document*. However, historical performance is no indicator for future performance.

### **6. Dividend Policy**

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus "Share Classes".

### **8. Subscriptions and redemption of shares**

Subscriptions or redemptions orders for Shares shall be received by the Registrar and Transfer Agent before 12:00 (Luxembourg time) at the Valuation Day.

### **9. Fees**

The Sub-Fund is charged of fees as described in the below table:

- an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus and
- a performance fee as fully described in the Chapter 17.3.2 of the Prospectus "*Benchmark – Loss recovery: rolling period of 5 years*".

Class of Shares	Class A1P	Class A2P	Class RP	Class ZP	Class I	Class IP
Investment management fee	Up to 1.50%	Up to 2.25%	Up to 1.00%	Up to 0.90%	Up to 0.90%	Up to 0.75%
Performance fee	10%*	10%*	10%*	10%*	-	10%*

\*The benchmark used for the calculation of the performance fees is the MSCI AC World Daily TR Net USD. As of the date of this Prospectus, the administrator of the Benchmark (MSCI Limited) is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.

## **10. General information on the Sub-Fund**

### **– Portfolio Management of the Sub-Fund**

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

### **– Frequency of calculation of NAV (Valuation Day and Calculation Day)**

Valuation Day is any Business Day as of which the assets are priced for the NAV calculation. The NAV per Share is calculated one (1) Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# DECALIA – Active Allocation

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## **1. Base Currency**

The Base Currency of the Sub-Fund is the euro (EUR).

## **2. Investment objective, policy and strategy**

### **Sustainability criteria**

While paying particular attention to the governance, environmental and social impact aspects of the companies applying for the investment, the delegated investment manager has not incorporated the ESG criteria and the EU criteria for environmentally sustainable economic activities (within the meaning of the Taxonomy Regulation) into its investment or investment process or risk assessment.

The investment manager considers that the sustainability risks, that the Sub-Fund may be subject to, are likely to have an immaterial impact on the value of the Sub-Fund's investments in the medium term as the portfolio is sufficiently diversified (both by sector and by number of investments) that any negative impact on the value of one investment would not be expected to have a significant overall impact on the returns of the Sub-Fund.

However, the investment manager has integrated sustainability risks into the investment decision-making process. This integration is reflected in its ESG policy.

### **Investment Objective**

The Sub-Fund's investment objective is to provide long term capital growth and income through investments in different asset classes such as equity, debt securities and cash.

The Sub-Fund is actively managed. The Sub-Fund has no benchmark index and is not managed in reference to a benchmark index.

### **Investment Policy**

#### Main investments

The Sub-Fund will mainly invest in:

- debt securities of any type (investment grade, high yield and unrated), including money market instruments; and/or
- equities and equity related securities (including but not limited to ADR (American Depositary Receipt) and GDR (Global Depositary Receipt)), convertible bonds, reverse convertible bonds; and/or
- cash which, in normal circumstances, should represent around a maximum of 20% of the Sub-Fund's net assets.

The proportion of assets devoted to each of the three asset classes varies over time, and sometimes the Sub-Fund can be exposed to several or only one of the above asset classes.

There will be no restriction in terms of geographical exposure (except a maximum of 25% of the Sub-Fund's net assets in emerging countries), economic sector, currencies nor in terms of credit rating of the debt securities.

However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

The Sub-Fund may invest directly in the assets listed below, subject to the following limits:

- Maximum 10% of the net assets in contingent convertible bonds;
- Maximum 5% of its net assets in SPACs (Special Purpose Acquisition Companies);
- Maximum 10% of the net assets in distressed or defaulted issuers;
- Maximum 10% in closed-ended Real Estate Investment Trusts (REITS) qualifying as transferable securities.
- Maximum of 5% of its net assets in China A-shares, via the use of the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect markets, or any similar acceptable securities trading and clearing linked programmes or any other eligible means providing Chinese companies stock market access which may be available.
- Maximum 15% of its net assets in structured products (as described below).

The investments will be at all times in line with the 2010 Law and related regulations.

#### Other investments and peculiarities

The Sub-Fund can invest a maximum of 10% of its net assets in undertakings for collective investment (UCITS and/or other UCIs).

Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, cash (at sight) and Cash Equivalents (as defined in the main body of the Prospectus, section “Definitions”).

#### Structured products

The Sub-Fund may invest up to 15% of its net assets in structured products (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities (including precious metals) with cash settlement.

The investments in structured products with or without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement, will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of articles 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

Those investments may not be used to elude the investment policy of the Sub-Fund.

#### Financial Derivative Instruments and Securities Financing Transactions

Within the limits set out in Section 30 "Investment restrictions" in the main body of the prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to debt securities or equities (including volatility derivatives), currency derivatives (such as forward foreign exchange contracts) and credit default swaps in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or

commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **3. Risk Monitoring**

The Sub-Fund’s global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **4. Risk Factors**

No guarantee can be given that the Sub-Fund’s objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the “Risk Considerations” before determining to invest in the Sub-Fund.

### **5. Performance History**

This Sub-Fund’s historical performance may be consulted in the current Key Investor Information Document. However, historical performance is no indicator for future performance.

### **6. Dividend Policy**

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus “Share Classes”.

### **8. Subscriptions and redemption of shares**

Subscriptions or redemptions orders for Shares shall be received by the Registrar and Transfer Agent before 12:00 (Luxembourg time) at the Valuation Day.

### **9. Fees**

The Sub-Fund is charged of an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus.

<b>Class of Shares</b>	<b>Class A1</b>	<b>Class A2</b>	<b>Class R</b>	<b>Class Z</b>	<b>Class I</b>
Investment management fee	Up to 1.90%	Up to 2.25%	Up to 1.20%	Up to 1%	Up to 0.70%

### **10. General information on the Sub-Fund**

#### **– Portfolio Management of the Sub-Fund**

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

– **Frequency of calculation of NAV (Valuation Day and calculation Day)**

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# **DECALIA – Conservative (will be merged into DECALIA – Global Income with effective date 30 November 2023)**

## **1. Base Currency**

The Base Currency of the Sub-Fund is the Euro.

## **2. Investment objective, policy and strategy**

### **Investment Objective**

The Sub-Fund's investment objective is to preserve Shareholders' capital while achieving appropriate growth, through a diversified allocation of debt securities and cash. The Sub-Fund will be invested in these different types of financial instruments at the manager's discretion and / or based on market trends.

The Sub-Fund is actively managed. The Sub-Fund has no benchmark index and is not managed in reference to a benchmark index.

### **Investment Policy**

#### **Main investments**

The Sub-Fund will mainly invest in debt securities of any type (investment grade, high yield and unrated), including money market instruments and/or cash which, in normal circumstances, should represent around a maximum of 20% of the Sub-Fund's net assets.

The proportion of assets devoted to each of the two asset classes varies over time, and sometimes the Sub-Fund can be exposed to the two or only one of the above asset classes.

There will be no restriction in terms of geographical exposure (except a maximum of 10% of the Sub-Fund's net assets in emerging countries), economic sector, currencies nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

The Sub-Fund may invest directly in the assets listed below, subject to the following limits:

- Maximum 10% of the net assets in contingent convertible bonds;
- Maximum 10% of the net assets in asset-backed securities (ABS) and mortgage-backed securities (MBS);
- Distressed or defaulted issuers will not represent more than 10% of the net assets.

The investments will be at all times in line with the 2010 Law and related regulations.

#### **Other investments**

Within a maximum of 49% of its net assets, the Sub-Fund may invest in any other type of eligible assets, such as equities, undertakings for collective investment.

The Sub-Fund may invest directly in the assets listed below, subject to the following limits:

- Maximum 10% of its net assets in undertakings for collective investment (UCITS and/or other UCIs);
- Maximum 10% in closed-ended Real Estate Investment Trusts (REITS) qualifying as transferable securities.

The investments will be at all times in line with the 2010 Law and related regulations.

**Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among other cash deposits, money market funds (under the above-mentioned 10% limit) and money market instruments.**

### **Structured products**

The Sub-Fund can also invest up to 20% of its net assets in structured products with embedded derivatives (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (debt securities) or a basket of transferable securities. The investments in structured products embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

The Sub-Fund may also invest up to 20% of its net assets in structured products without embedded derivatives (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Sub-Fund. The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

### **Financial Derivative Instruments and Securities Financing transactions**

Within the limits set out in Section 30 “Investment restrictions” in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to debt securities or equities (including volatility derivatives), currency derivatives (such as forward foreign exchange contracts) and credit default swaps in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **Sustainability criteria**

While paying particular attention to the governance, environmental and social impact aspects of the companies applying for the investment, the delegated investment manager has not incorporated the ESG criteria and the EU criteria for environmentally sustainable economic activities (within the meaning of the Taxonomy Regulation) into its investment or investment process or risk assessment.

The investment manager considers that the sustainability risks, that the Sub-Fund may be subject to, are likely to have an immaterial impact on the value of the Sub-Fund’s investments in the medium term as the portfolio is sufficiently diversified (both by sector and by number of investments) that any negative impact on the value of one investment would not be expected to have a significant overall impact on the returns of the Sub-Fund.

However, the investment manager has integrated sustainability risks into the investment decision-making process. This integration is reflected in its ESG policy.

### ***3. Risk Monitoring***

The Sub-Fund’s global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

#### **4. Risk Factors**

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the "Risk Considerations" before determining to invest in the Sub-Fund.

#### **5. Performance History**

This Sub-Fund's historical performance may be consulted in the current Key Investor Information Document. However, historical performance is no indicator for future performance.

#### **6. Dividend Policy**

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

#### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus "Share Classes".

#### **8. Subscriptions and redemption of shares**

Subscriptions or redemption orders for Shares shall be received by the Registrar and Transfer Agent before 12:00 (Luxembourg time) at the Valuation Day.

#### **9. Fees**

The Sub-Fund is charged of an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus.

<b>Class of Shares</b>	<b>Class A1</b>	<b>Class A2</b>	<b>Class R</b>	<b>Class Z</b>	<b>Class I</b>
Investment management fee	Up to <b>1.50%</b>	Up to <b>2.25%</b>	Up to <b>1%</b>	Up to <b>0.85%</b>	Up to <b>0.60%</b>

#### **10. General information on the Sub-Fund**

##### **Portfolio Management of the Sub-Fund**

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

##### **Frequency of calculation of NAV (Valuation Day and Calculation Day)**

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# **DECALIA – Millennials (will be merged into DECALIA – Sustainable SOCIETY with effective date 30 November 2023)**

## **1. Base Currency**

The Base Currency of the Sub-Fund is the USD.

## **2. Investment objective, policy and strategy**

### **Investment Objective**

The Sub-Fund's investment objective is to seek an attractive long-term rate of return, measured in US Dollars, by investing at least **two-thirds** of its assets in equities that will structurally benefit from changes in consumer's habits of the Millennials generation, such as, for example, retailers, information technology and media companies, e-commerce web sites, consumer goods producers.

### **ESG considerations**

The millennials generation has a growing sensitivity to sustainability which provides an induced exposure to responsible investments. As such, the Sub-Fund is categorized as a financial product falling under the scope of article 8 of the SFDR.

The Investment Manager uses a variety of indicators to attain the promotion of the environmental and social characteristics. For more details about the ESG methodology and restrictions, please refer to the pre-contractual disclosure included in appendix 1.

The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision-making processes. The Sub-Fund is managed to promote, among other characteristics, a combination of environmental and social characteristics (as provided under article 8 of SFDR). The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process.

In the context of the Taxonomy Regulation, in view of its ESG strategy, the Sub-Fund promotes environmental characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation. Therefore, the "do no significant harm" principle does not apply to the investments underlying the Sub-Fund.

### **Investment Policy**

#### **Main investments**

The Sub-Fund will invest at least two-thirds of its net assets in worldwide equities and equity related securities (including but not limited to Real Estate Investment Trusts (REITS) qualifying as UCITS eligible closed-ended funds, ADR (American Depositary Receipt), GDR (Global Depositary Receipt)).

The Sub-Fund will invest in companies that will gain from the consumption and social behaviour of Millennials generation (people indicatively born between 1980 and 2000) that will become the predominant consumers in the next decades.

There will be no restriction in terms of geographical exposure (except a maximum of 30% of the Sub-Fund's net assets in emerging countries), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single

country (or some countries) and/or in a single currency and/or in a single economic sector.

The Sub-Fund will invest a maximum of 10% of its net assets in closed-ended Real Estate Investment Trusts (REITS) qualifying as transferable securities.

To ensure eligibility for the partial tax exemption for equity funds for German investors, the Sub-Fund will continuously invest at least 51% of its net assets in equity assets as defined in sec. 2 para 8 of the German Investment Tax Act (2018).

### **Other investments**

Within a maximum of one-third of its net assets, the Sub-Fund may invest in any other type of eligible assets, such as money market instruments, debt securities (investment grade, high yield and unrated), undertakings for collective investment and cash which, in normal circumstances, should represent around a maximum of 15% of the Sub-Fund's net assets.

However, the Sub-Fund may invest directly in the assets listed below, subject to the following limits:

- Maximum 10% of its net assets in undertakings for collective investment (UCITS and/or other UCIs);
- No investments in distressed or defaulted issuers.

The investments will be at all times in line with the 2010 Law and related regulations.

**Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among other cash deposits, money market funds (under the above-mentioned 10% limit) and money market instruments.**

### **Financial Derivative Instruments and Securities Financing transactions**

Within the limits set out in Section 30 "Investment restrictions" in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities, financial indices (including volatility derivatives), and currency derivatives (such as forward foreign exchange contracts) in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### ***3. Risk Monitoring***

The Sub-Fund's global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### ***4. Risk Factors***

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the "Risk

Considerations” before determining to invest in the Sub-Fund.

### **5. Performance History**

This Sub-Fund’s historical performance may be consulted in the current *Key Investor Information Document*. However, historical performance is no indicator for future performance.

### **6. Dividend Policy**

This Sub-Fund pursues both a policy of achieving capital growth and reinvesting income earned (accumulating policy) and a policy of payment of dividend at the frequency referred to in the general part of the Prospectus (distributing policy). Therefore, each Share Class is available in accumulating Shares and distributing Shares.

### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus “Share Classes”.

### **8. Subscriptions and redemption of shares**

Subscriptions or redemptions orders for Shares shall be received by the Registrar and Transfer Agent before 12:00 (Luxembourg time) at the Valuation Day.

### **9. Fees**

The Sub-Fund is charged of fees as described in the below table:

- an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus and
- a performance fee as fully described in the Chapter 17.3.2 of the Prospectus “*Benchmark – Loss recovery: rolling period of 5 years*”.

<b>Class of Shares</b>	<b>Class A1P</b>	<b>Class A2P</b>	<b>Class R</b>	<b>Class RP</b>	<b>Class ZP</b>	<b>Class I</b>	<b>Class IP</b>
Investment management fee	Up to 1.50%	Up to 2.25%	Up to 1.05%	Up to 0.90%	Up to 0.75%	Up to 0.85%	Up to 0.75%
Performance fee	10%*	10%*	-	10%*	10%*	-	10%*

\* *The benchmark used for the calculation of the performance fees is the MSCI World in USD. As of the date of this Prospectus, the administrator of the Benchmark (MSCI Limited) is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.*

### **10. General information on the Sub-Fund**

#### **Portfolio Management of the Sub-Fund**

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

#### **Frequency of calculation of NAV (Valuation Day and Calculation Day)**

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# **DECALIA – Silver Generation**

## **1. Base Currency**

The Base Currency of the Sub-Fund is the EUR

## **2. Investment objective, policy and strategy**

### **Sustainability criteria**

The Sub-Fund is **categorized** as a financial product falling under the scope of **article 8** of the **SFDR** by promoting environmental or social characteristics. For more details about the ESG features of the Sub-Fund, please refer to the pre-contractual disclosure included in the **Annex 1**.

The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision-making processes. The Sub-Fund is managed to promote, among other characteristics, a combination of environmental and social characteristics (as provided under article 8 of SFDR). The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process.

In the context of the Taxonomy Regulation, in view of its ESG strategy, the Sub-Fund promotes environmental characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation. Therefore, the “do no significant harm” principle does not apply to the investments underlying the Sub-Fund.

### **Investment Objective**

The Sub-Fund’s investment objective is to seek an attractive long-term rate of return on European stock markets by predominantly investing its assets in companies that will, based on the Investment Manager’s opinion, structurally benefit from ageing population such as, for example, financial savings, medical equipment, healthcare, leisure, pharmaceuticals, dependency services, household & personal care, auto manufacturers.

The Sub-Fund is actively managed. The index MSCI Europe Net Return is only used for the calculation of the performance fee (payable to the Investment Manager) and for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from the index. The index MSCI Europe Net Return does not consider ESG criteria in its methodology.

### **Investment Policy**

#### Main investments

The Sub-Fund will invest at least 75% of its net assets in equities and equity related securities (including but not limited to closed-ended Real Estate Investment Trusts (REITS), ADR (American Depositary Receipt) and GDR (Global Depositary Receipt)) of companies that benefit from ageing population, domiciled and/or headquartered in Europe.

There will be no restriction in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

To ensure eligibility for the partial tax exemption for equity funds for German investors the Sub-Fund will

continuously invest at least 51% of its net assets in equity assets as defined in sec. 2 para 8 German Investment Tax Act (2018).

#### Other investments and peculiarities

The Sub-Fund may invest up to 25% of its net assets in any other type of eligible assets, such as equities and equity related securities other than those above-mentioned, money market instruments, debt securities (including convertible securities, excluding Contingent Convertible Bonds), undertakings for collective investment (UCIs) and cash which, in normal circumstances, should represent around a maximum of 15% of the Sub-Fund's net assets.

However, the Sub-Fund may invest directly in the assets listed above, subject to the following constraints:

- Maximum 10% of its net assets in closed-ended Real Estate Investment Trusts (REITs) qualifying as transferable securities.
- Maximum 10% of its net assets in SPACs (Special Purpose Acquisition Companies).
- Maximum of 10% of its net assets in China A-shares, via the use of the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect markets, or any similar acceptable securities trading and clearing linked programmes or any other eligible means providing Chinese companies stock market access which may be available.
- Maximum 10% of its net assets in structured products (as described below).
- Maximum 20% of its net assets in emerging countries.
- Maximum 10% of its net assets in UCIs.
- Debt securities (including money market instruments) or issuers considered as investment grade. Credit ratings referred above are those measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager. In case of dual official rating, the higher rating shall apply.

The investments will be at all times in line with the 2010 Law and related regulations.

Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, cash (at sight) and Cash Equivalents (as defined in the main body of the Prospectus, section "Definitions").

#### Structured products

The Sub-Fund may invest up to 10% of its net assets in structured products (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities (including precious metals) with cash settlement.

The investments in structured products with or without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement, will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of articles 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

Those investments may not be used to elude the investment policy of the Sub-Fund.

#### Financial Derivative Instruments and Securities Financing transactions

Within the limits set out in Section 30 "Investment restrictions" in the main body of the Prospectus, the Sub-Fund

may use all types of financial derivative instruments traded on a Regulated Market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities, financial indices (including volatility derivatives), and currency derivatives (such as forward foreign exchange contracts) in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **3. Risk Monitoring**

The Sub-Fund's global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **4. Risk Factors**

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the "Risk Considerations" before determining to invest in the Sub-Fund.

### **5. Performance History**

This Sub-Fund's historical performance may be consulted in the current *Key Investor Information Document*. However, historical performance is no indicator for future performance.

### **6. Dividend Policy**

This Sub-Fund pursues both a policy of achieving capital growth and reinvesting income earned (accumulating policy) and a policy of payment of dividend at the frequency referred to in the general part of the Prospectus (distributing policy). Therefore, each Share Class is available in accumulating Shares and distributing Shares.

### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus "Share Classes".

### **8. Subscriptions and redemption of shares**

Following the closing of the Initial Offering Period, subscriptions or redemption orders for Shares shall be received by the Registrar and Transfer Agent before 12:00 (Luxembourg time) at the Valuation Day.

### **9. Fees**

The Sub-Fund is charged of fees as described in the below table:

- an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus and
- a performance fee as fully described in the Chapter 17.3.2 of the Prospectus "*Benchmark – Loss recovery: rolling period of 5 years*".

<b>Class of Shares</b>	<b>Class A1P</b>	<b>Class A2P</b>	<b>Class RP</b>	<b>Class ZP</b>	<b>Class IP</b>
Investment management fee	Up to 1.50%	Up to 2.25%	Up to 0.90%	Up to 0.75%	Up to 0.75%
Performance fee	10%*	10%*	10%*	10%*	10%*

\* The benchmark used for the calculation of the performance fees is the **MSCI Europe Net Return index** (the "Benchmark"), calculated during the current period. As of the date of this Prospectus, the administrator of the Benchmark (MSCI Limited) is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.

## **10. General information on the Sub-Fund**

### **– Portfolio Management of the Sub-Fund**

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

### **– Frequency of calculation of NAV (Valuation Day and Calculation Day)**

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# **DECALIA – Circular Economy**

## ***1. Base Currency***

The Base Currency of the Sub-Fund is the US dollar (USD).

## ***2. Investment objective, policy and strategy***

### **Sustainability criteria**

A linear economy, based on a “take, make, dispose” model, relies on large quantities of cheap, easily accessible and unlimited raw materials and energy becoming increasingly unsustainable. A circular economy is an alternative way to keep products, components and materials at their highest utility and value and considers the reuse and recycling principles.

The Sub-Fund is **categorized** as a financial product falling under the scope of **article 9** of the **SFDR** as such, the sub-fund has sustainable investment as its main objective.

The Investment Manager uses a variety of indicators to attain sustainable investments with an environmental objective. For more details about the ESG methodology and restrictions, please refer to the pre-contractual disclosure included in **Annex 2**.

The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision-making processes. The Sub-Fund has a sustainable investment objective (as provided under article 9 of SFDR).

The Sub-Fund will primarily invest in equities that will structurally benefit from the shift from a linear to a circular economy and that have, to the opinion of the Investment Manager, a positive impact on the environment thanks to their circular business model. The investment process integrates Environmental, Social and Governance (ESG) aspects based, firstly on the Investment Manager view and, secondly on third-party research (such as ESG ratings from third party providers). While respecting this investment objective the Sub-Fund will seek an attractive long-term capital growth, measured in US Dollars.

### **Investment Objective**

Whilst the Sub-Fund aims to achieve a positive environmental impact, its investment policy does not target investments with climate change mitigation and climate change adaptation objectives as defined by the technical screening criteria of the Taxonomy Regulation.

The Sub-Fund is actively managed. The benchmark index of the Sub-Fund is the MSCI World in USD. It is used for the calculation of the performance fee (payable to the Investment Manager) and for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from the index. The index MSCI World in USD does not consider ESG criteria in its methodology.

### **Investment Policy**

#### **Main investments**

The Sub-Fund will invest at least two-thirds of its net assets in worldwide equities and equity related securities (including but not limited to Real Estate Investment Trusts (REITS) qualifying as UCITS eligible closed-ended funds, ADR (American Depositary Receipt) and GDR (Global Depositary Receipt)) of companies that have adopted a circular business model.

The choice of investments will neither be limited by geographical area (except a maximum of 20% of the Sub-Fund's net assets in emerging countries), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

To ensure eligibility for the partial tax exemption for equity funds for German investors, the Sub-Fund will continuously invest at least 51% of its net assets in equity assets as defined in sec. 2 para 8 of German Investment Tax Act (2018).

#### Other investments and peculiarities

Within a maximum of one-third of its net assets, the Sub-Fund may invest in any other type of eligible assets, such as money market instruments, debt securities (including convertible bonds), structured products, undertakings for collective investment and cash which, in normal circumstances, should represent around a maximum of 20% of the Sub-Fund's net assets.

The debt securities should be graded at least "Investment Grade" or rather with a rating minimum BBB- by Standard & Poor's Rating Agency or of equivalent agency, or equivalent quality in the opinion of the Investment Manager.

However, the Sub-Fund may invest directly in the assets listed below, subject to the following limits:

- Maximum 10% of its net assets in undertakings for collective investment (UCITS and/or other UCIs).
- Maximum 10% of its net assets in closed-ended Real Estate Investment Trusts (REITS) qualifying as transferable securities.
- Maximum of 10% of its net assets in China A-shares, via the use of the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect markets, or any similar acceptable securities trading and clearing linked programmes or any other eligible means providing Chinese companies stock market access which may be available.
- Maximum 10% of its net assets in SPACs (Special Purpose Acquisition Companies).
- Maximum 10% of its net assets in structured products (as described below).
- Maximum 10% of its net assets in contingent convertible bonds.
- Maximum 5% of its net assets in debt securities unrated and/or graded below Standard & Poor's rating of BBB- or an equivalent rating issued by another rating agency. The Investment Manager may keep these downgraded securities and will sell them on a discretionary basis, according to the conditions on the relevant market and the Investment Manager's related forecasts.

The Sub-Fund will not invest in companies classified by MSCI in the following sectors: Civilian firearms, Controversial Weapons, Gambling, Tobacco producers, licensor or distributors.

The investments will be at all times in line with the 2010 Law and related regulations.

Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, cash (at sight) and Cash Equivalents (as defined in the main body of the Prospectus, section "Definitions").

#### Structured products

The Sub-Fund may invest up to 10% of its net assets in structured products (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities

(including precious metals) with cash settlement.

The investments in structured products with or without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement, will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of articles 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

Those investments may not be used to elude the investment policy of the Sub-Fund.

#### Financial Derivative Instruments and Securities Financing transactions

Within the limits set out in Section 30 “Investment restrictions” in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities, financial indices (including volatility derivatives), and currency derivatives (such as forward foreign exchange contracts) in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **3. Risk Monitoring**

The Sub-Fund’s global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **4. Risk Factors**

No guarantee can be given that the Sub-Fund’s objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the “Risk Considerations” before determining to invest in the Sub-Fund.

### **5. Performance History**

This Sub-Fund’s historical performance may be consulted in the current *Key Investor Information Document*. However, historical performance is no indicator for future performance.

### **6. Dividend Policy**

This Sub-Fund pursues both a policy of achieving capital growth and reinvesting income earned (accumulating policy) and a policy of payment of dividend at the frequency referred to in the general part of the Prospectus (distributing policy). Therefore, each Share Class is available in accumulating Shares and distributing Shares.

### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus “Share Classes”.

## 8. Subscriptions and redemption after the Initial Offering Period

Following the closing of the Initial Offering Period, subscriptions or redemption orders for Shares shall be received by the Registrar and Transfer Agent before 12:00 (Luxembourg time) at the Valuation Day.

## 9. Fees

The Sub-Fund is charged of fees as described in the below table:

- an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus and
- a performance fee as fully described in the Chapter 17.3.2 of the Prospectus *Benchmark – Loss recovery: rolling period of 5 years.*

Class of Shares	Class A1P	Class A2P	Class R	Class RP	Class ZP	Class I	Class IP
Investment management fee	Up to 1.50%	Up to 2.25%	Up to 1.05%	Up to 0.90%	Up to 0.75%	Up to 0.85%	Up to 0.75%
Performance fee	10%*	10%*	-	10%*	10%*	-	10%*

\* The benchmark used for the calculation of the performance fees is the **MSCI World in USD**. As of the date of this Prospectus, the administrator of the Benchmark (MSCI Limited) is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.

## 10. General information on the Sub-Fund

### - Portfolio Management of the Sub-Fund

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

### - Frequency of calculation of NAV (Valuation Day and Calculation Day)

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# **DECALIA – Global Income**

## **1. *Base Currency***

The Base Currency of the Sub-Fund is the US dollar (USD).

## **2. *Investment objective, policy and strategy***

### **Sustainability criteria**

While paying particular attention to the governance, environmental and social impact aspects of the companies applying for the investment, the delegated investment manager has not incorporated the ESG criteria and the EU criteria for environmentally sustainable economic activities (within the meaning of the Taxonomy Regulation) into its investment or investment process or risk assessment.

The investment manager considers that the sustainability risks, that the Sub-Fund may be subject to, are likely to have an immaterial impact on the value of the Sub-Fund's investments in the medium term as the portfolio is sufficiently diversified (both by sector and by number of investments) that any negative impact on the value of one investment would not be expected to have a significant overall impact on the returns of the Sub-Fund.

However, the investment manager has integrated sustainability risks into the investment decision-making process. This integration is reflected in its ESG policy.

### **Investment Objective**

The Sub-Fund's investment objective is to generate a growing level of income through a diversified allocation of a broad range of fixed income securities. The Sub-Fund will be invested in different types of financial instruments at the manager's discretion and / or based on market trends.

The Sub-Fund is actively managed. The Sub-Fund has no benchmark index and is not managed in reference to a benchmark index.

### **Investment Policy**

#### **Main investments**

The Sub-Fund will invest at least two-thirds of its net asset in a diversified portfolio of debt securities of any type (including money market instruments).

There will be no restriction in terms of geographical exposure (except a maximum of 30% of the Sub-Fund's net assets in emerging countries), economic sector, currencies nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

The Sub-Fund will invest in debt securities with a credit rating of all types (investment grade, high yield and unrated). The expected average credit rating of the Sub-Fund's portfolio will be A-/BBB+ (S&P notation, or an equivalent credit rating from other recognized credit rating agencies) or higher.

#### **Other investments and peculiarities**

Within a maximum of one-third of its net assets, the Sub-Fund may invest in any other type of eligible assets such

as: equities, equity related securities (including ADR (American Depositary Receipt) and GDR (Global Depositary Receipt)), structured products, undertakings for collective investment (UCIs) and cash which, in normal circumstances, should represent around a maximum of 20% of the Sub-Fund's net assets.

The Sub-Fund may invest directly in the assets listed below, subject to the following limits:

- Maximum 10% of its net assets in convertible bonds (other than contingent convertible type).
- Maximum 10% of the net assets in contingent convertible bonds.
- Maximum 45% of the net assets in non-investment grade debt securities.
- Distressed or defaulted issuers will not represent more than 10% of the net assets. If, following a downgrade, distressed or defaulted securities exceed the limit of 10%, the Sub-Fund will sell the exceeding securities in the shortest time.
- Maximum 10% of its net assets in UCIs.
- Maximum 5% of its net assets in closed-ended Real Estate Investment Trusts (REITS) qualifying as transferable securities.
- Maximum 15% of its net assets in structured products (as described below).
- Maximum 5% of its net assets in SPACs (Special Purpose Acquisition Companies).

Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in cash (at sight) and Cash Equivalents (as defined in the main body of the Prospectus, section "Definitions").

#### Structured products

The Sub-Fund may invest up to 15% of its net assets in structured products (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities (including precious metals) with cash settlement.

The investments in structured products with or without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement, will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of articles 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

Those investments may not be used to elude the investment policy of the Sub-Fund.

#### Financial Derivative Instruments and Securities Financing Transactions

Within the limits set out in Section 30 "Investment restrictions" in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to debt securities, currency derivatives (such as forward foreign exchange contracts and non-delivery forwards) and credit default swaps in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable

regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **3. Risk Monitoring**

The Sub-Fund’s global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **4. Risk Factors**

No guarantee can be given that the Sub-Fund’s objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the “Risk Considerations” before determining to invest in the Sub-Fund.

### **5. Performance History**

This Sub-Fund’s historical performance may be consulted in the current Key Investor Information Document. However, historical performance is no indicator for future performance.

### **6. Dividend Policy**

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus “Share Classes”.

### **8. Subscription and redemption of shares**

Subscription or redemption orders of shares shall be received by the Registrar and Transfer Agent before 12:00 (Luxembourg time) at the Valuation Day.

### **9. Fees**

The Sub-Fund is charged of an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus.

<b>Class of Shares</b>	<b>Class A1</b>	<b>Class A2</b>	<b>Class R</b>	<b>Class Z</b>	<b>Class I</b>
<b>Investment management fee</b>	Up to 1.45%	Up to 1.90%	Up to 0.80%	Up to 0.50%	Up to 0.50%

**10. General information on the Sub-Fund**

– **Portfolio Management of the Sub-Fund**

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31, rue du Rhône  
CH-1204 Geneva

– **Frequency of calculation of NAV (Valuation Day and Calculation Day)**

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# **DECALIA – World Compounders (previously named Dividend Growth)**

## **1. Base Currency**

The Base Currency of the Sub-Fund is the US dollar (USD).

## **2. Investment objective, policy and strategy**

### **Sustainability criteria**

While paying particular attention to the governance, environmental and social impact aspects of the companies applying for the investment, the delegated investment manager has not incorporated the ESG criteria and the EU criteria for environmentally sustainable economic activities (within the meaning of the Taxonomy Regulation) into its investment or investment process or risk assessment.

The investment manager considers that the sustainability risks, that the Sub-Fund may be subject to, are likely to have an immaterial impact on the value of the Sub-Fund's investments in the medium term as the portfolio is sufficiently diversified (both by sector and by number of investments) that any negative impact on the value of one investment would not be expected to have a significant overall impact on the returns of the Sub-Fund.

However, the investment manager has integrated sustainability risks into the investment decision-making process. This integration is reflected in its ESG policy.

### **Investment Objective**

The Sub-Fund's investment objective is to seek attractive long-term capital growth, measured in USD, by investing in equities of global companies, identified as *quality compounders* by the Investment Manager, based on fundamental features including but not limited to proven winning business models with attractive capital returns, consistent shareholder return policies, improving ESG credentials, and sustained high relative free cash flow generation.

The Sub-Fund is actively managed. The index MSCI AC World Daily TR Net USD is only used for the calculation of the performance fee (payable to the Investment Manager) and for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from the index. The index MSCI AC World Daily TR Net USD does not consider ESG criteria in its methodology.

### **Investment Policy**

#### **Main investments**

The Sub-Fund will invest at least two-thirds of its net assets in worldwide developed markets equities and equity-related securities (including but not limited to closed-ended Real Estate Investment Trusts (REITS), ADR (American Depositary Receipt) and GDR (Global Depositary Receipt)) of global companies offering above market average dividend growth prospects.

The choice of investments will neither be limited by geographical area (except a maximum of 20% of the Sub-Fund's net assets in emerging countries), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a specific focus may be put on a single country (or some countries) and/or on a single currency and/or on a single economic sector.

To ensure eligibility for the partial tax exemption for equity funds for German investors, the Sub-Fund will continuously invest at least 51% of its net assets in equity assets as defined in sec. 2 para 8 of German Investment Tax Act (2018).

#### Other investments and peculiarities

Within a maximum of one-third of its net assets, the Sub-Fund may invest in any other type of eligible assets such as: money market instruments, debt securities (including convertible bonds), structured products, undertakings for collective investment (UCIs) and cash which, in normal circumstances, should represent around a maximum of 15% of the Sub-Fund's net assets.

For debt securities, the expected average credit rating of the Sub-Fund's portfolio will be AA (S&P notation, or an equivalent credit rating from other recognized credit rating agencies) or higher.

However, the Sub-Fund may invest directly in the assets listed below, subject to the following limits:

- Maximum 10% of its net assets in UCIs.
- Maximum 10% of its net assets in closed-ended REITS qualifying as transferable securities.
- Maximum of 10% of its net assets in China A-shares, via the use of the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect markets, or any similar acceptable securities trading and clearing linked programmes or any other eligible means providing Chinese companies stock market access which may be available.
- Maximum 10% of its net assets in SPACs (Special Purpose Acquisition Companies).
- Maximum 10% of its net assets in contingent convertible bonds.
- Maximum 5% of its net assets in non-investment grade debt securities.
- Maximum 5% of its net assets in debt securities (or issuers) unrated and/or graded below Standard & Poor's rating of BBB- or an equivalent rating issued by another rating agency.
- Maximum 10% of its net assets in structured products as described below.

The Sub-Fund will not invest in distressed and defaulted debt securities.

Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in cash (at sight) and Cash Equivalents (as defined in the main body of the Prospectus, section "Definitions").

#### Structured products

The Sub-Fund may invest up to 10% of its net assets in structured products (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities (including precious metals) with cash settlement.

The investments in structured products with or without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement, will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of articles 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

Those investments may not be used to elude the investment policy of the Sub-Fund.

#### Financial Derivative Instruments and Securities Financing transactions:

Within the limits set out in Section 30 “Investment restrictions” in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities, financial indices (including volatility derivatives), and currency derivatives (such as forward foreign exchange contracts) in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **3. Risk Monitoring**

The Sub-Fund’s global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **4. Risk Factors**

No guarantee can be given that the Sub-Fund’s objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the “Risk Considerations” before determining to invest in the Sub-Fund.

### **5. Performance History**

This Sub-Fund’s historical performance may be consulted in the current *Key Investor Information Document*. However, historical performance is no indicator for future performance.

### **6. Dividend Policy**

This Sub-Fund pursues both a policy of achieving capital growth and reinvesting income earned (accumulating policy) and a policy of payment of dividend at the frequency referred to in the general part of the Prospectus (distributing policy). Therefore, each Share Class is available in accumulating Shares and distributing Shares.

### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus “Share Classes”.

### **8. Subscription and redemption of shares**

Subscription or redemption orders of shares shall be received by the Registrar and Transfer Agent before 12:00 (Luxembourg time) at the Valuation Day.

## 9. Fees

The Sub-Fund is charged of fees as described in the below table:

- an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus and
- a performance fee as fully described in the Chapter 17.3.2 of the Prospectus “*Benchmark – Loss recovery: rolling period of 5 years*”.

Class of Shares	Class A1P	Class A2P	Class R	Class RP	Class ZP	Class I	Class IP
Investment management fee	Up to 1.50%	Up to 2.25%	Up to 1.05%	Up to 0.90%	Up to 0.75%	Up to 0.85%	Up to 0.75%
Performance fee	10%*	10%*	-	10%*	10%*	-	10%*

(\* The benchmark used for the calculation of the performance fees is *MSCI AC World Daily TR Net USD*. As of the date of this Prospectus, the administrator of this Benchmark is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.

## 11. General information on the Sub-Fund

### – Portfolio Management of the Sub-Fund

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

### – Frequency of calculation of NAV (Valuation Day and Calculation Day)

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# **DECALIA – Eternity**

## ***1. Base Currency***

The Base Currency of the Sub-Fund is the US dollar (USD).

## ***2. Investment objective, policy and strategy***

### **Sustainability criteria**

The Sub-Fund is **categorized** as a financial product falling under the scope of **article 8** of the **SFDR** by promoting environmental or social characteristics. For more details about the ESG features of the Sub-Fund, please refer to the pre-contractual disclosure included in the **Annex 3**.

The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision-making processes. The Sub-Fund is managed to promote, among other characteristics, a combination of environmental and social characteristics (as provided under article 8 of SFDR). The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process.

In the context of the Taxonomy Regulation, in view of its ESG strategy, the Sub-Fund promotes environmental characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation. Therefore, the “do no significant harm” principle does not apply to the investments underlying the Sub-Fund.

### **Investment Objective**

The Sub-Fund’s investment objective is to seek an attractive long-term rate of return, measured in USD, by investing in equities (and equity related securities) of companies that will structurally benefit from the secular trend of ageing populations and/or help in the fight against senescence. The shift toward an older and affluent population will have a deep impact on our societies and will generate substantial investment opportunities.

A key opportunity lies in companies targeting senescence, as we are on the verge of a change of paradigm, moving away from the traditional approach of curing diseases as they appear, to fighting ageing as the root cause of most of these illnesses. Seniors also benefit from above average budgets and have much more time for leisure than any other age cohort, providing outsized opportunities for companies providing the right products and services.

The Sub-Fund is actively managed. The index **MSCI AC World Daily TR Net USD** is only used for the calculation of the performance fee (payable to the Investment Manager) and for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from the index. The index MSCI AC World Daily TR Net USD does not consider ESG criteria in its methodology.

### **Investment Policy**

#### **Main investments**

The Sub-Fund will invest at least **two-thirds** of its net assets in worldwide equities and equity related securities (including but not limited to closed-ended Real Estate Investment Trusts (REITs), ADR (American Depositary Receipt) and GDR (Global Depositary Receipt)) of companies that benefit from the secular trend of ageing populations and/or help in the fight against senescence.

There will be no restriction in terms of geographical exposure (except a maximum of 30% of the Sub-Fund's net assets in emerging countries), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

To ensure eligibility for the partial tax exemption for equity funds for German investors, the Sub-Fund will continuously invest at least 51% of its net assets in equity assets as defined in sec. 2 para 8 of the German Investment Tax Act (2018).

#### Other investments and peculiarities

The Sub-Fund will invest a maximum of **one-third** of its net assets in any other type of eligible assets (such as equities and equity related securities other than those above-mentioned, investment grade money market instruments, debt securities) and cash which, in normal circumstances, should represent around a maximum of 15% of the Sub-Fund's net assets.

However, the Sub-Fund may invest directly in the assets listed above subject to the following constraints:

- Maximum 10% of its net assets in closed-ended Real Estate Investment Trusts (REITs) qualifying as transferable securities.
- Maximum 10% of its net assets in SPACs (Special Purpose Acquisition Companies).
- Maximum of 20% of its net assets in China A-shares, via the use of the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect markets, or any similar acceptable securities trading and clearing linked programmes or any other eligible means providing Chinese companies stock market access which may be available.
- Maximum 20% of its net assets in structured products (as described below).
- Maximum 10% of its net assets in undertakings for collective investment (UCITS and/or other UCIs).

The investments will be at all times in line with the 2010 Law and related regulations.

Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold, up to 100% of its net assets, cash (at sight) and Cash Equivalents (as defined in the main body of the Prospectus, section "Definitions").

#### Structured products

The Sub-Fund may invest up to 20% of its net assets in structured products (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities (including precious metals) with cash settlement.

The investments in structured products with or without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement, will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of articles 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

Those investments may not be used to elude the investment policy of the Sub-Fund.

## Financial Derivative Instruments and Securities Financing transactions

Within the limits set out in Section 30 “Investment restrictions” in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities, financial indices (including volatility derivatives), and currency derivatives (such as forward foreign exchange contracts) in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **3. Risk Monitoring**

The Sub-Fund’s global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **4. Risk Factors**

No guarantee can be given that the Sub-Fund’s objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the “Risk Considerations” before determining to invest in the Sub-Fund.

### **5. Performance History**

This Sub-Fund’s historical performance may be consulted in the current *Key Investor Information Document*. However, historical performance is no indicator for future performance.

### **6. Dividend Policy**

This Sub-Fund pursues both a policy of achieving capital growth and reinvesting income earned (accumulating policy) and a policy of payment of dividend at the frequency referred to in the general part of the Prospectus (distributing policy). Therefore, each Share Class is available in accumulating Shares and distributing Shares.

### **7. Share Classes**

Features of all share classes are described at Chapter 8.3 of the Prospectus “Share Classes”.

### **8. Subscriptions and redemption of shares**

Subscriptions or redemptions orders for Shares shall be received by the Registrar and Transfer Agent before **17:00**

(Luxembourg time) **one business day before the Valuation Day,**

## 9. Fees

The Sub-Fund is charged of fees as described in the below table:

- an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus and
- a performance fee as fully described in the Chapter 17.3.2 of the Prospectus “*Benchmark – Loss recovery: rolling period of 5 years*”.

Class of Shares	Class A1P	Class A2P	Class RP	Class ZP	Class IP
<b>Investment management fee</b>	Up to 1.50%	Up to 2.25%	Up to 0.90%	Up to 0.75%	Up to 0.75%
<b>Performance fee</b>	10%*	10%*	10%*	10%*	10%*

\* The benchmark used for the calculation of the performance fees is the **MSCI AC World Daily TR Net USD**. As of the date of this Prospectus, the administrator of the Benchmark (MSCI Limited) is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.

## 10. General information on the Sub-Fund

### Portfolio Management of the Sub-Fund

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

### Frequency of calculation of NAV (Valuation Day and Calculation Day)

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

# DECALIA – Sustainable SOCIETY

## 1. *Base Currency*

The Base Currency of the Sub-Fund is the euro (EUR).

## 2. *Investment objective, policy and strategy*

### **Sustainability criteria**

The Sub-Fund is **categorized** as a financial product falling under the scope of **article 8** of the **SFDR** by promoting environmental or social characteristics. For more details about the ESG features of the Sub-Fund, please refer to the pre-contractual disclosure included in **Annex 4**.

The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision-making processes. The Sub-Fund is managed to promote, among other characteristics, a combination of environmental and social characteristics (as provided under article 8 of SFDR). The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process.

In the context of the Taxonomy Regulation, in view of its ESG strategy, the Sub-Fund promotes environmental characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation. Therefore, the “do no significant harm” principle does not apply to the investments underlying the Sub-Fund.

### **Investment Objective**

The Sub-Fund’s investment objective is to capitalize on the growth of disruptive and innovating sectors and companies that will shape our future society through the construction of a global equity portfolio centred on 7 themes:

- **Security:** in an increasingly connected and digital world, security is becoming more important. The Sub-Fund will invest in companies in the cyber security world but also in physical security and financial security.
- **O2 and Ecology:** a future society is also a green society. The Sub-Fund will invest in companies that enable a cleaner environment. It will invest in anything from electric vehicles & batteries to renewable energy and water companies.
- **Cloud & Digital:** our society is becoming increasingly digital, and often enabled by the cloud. The Sub-Fund will look for companies enabling the shift towards digital and for innovative cloud related companies.
- **Industry 5.0:** refers to the new industrial revolution. Robotics, automation, big data, machine vision, internet of things and artificial intelligence are key areas.
- **Elder & Wellbeing:** the Sub-Fund aims to invest in anything related to human and animal health and wellbeing. Also, large parts of the world face an ageing population and the Sub-Fund aims to capitalize on this long-term trend. Wellbeing involves as well non-healthcare related themes such as healthy nutrition.
- **Tech Med:** the Sub-Fund will invest in companies that are at the crossroads of the medical world and technology. Digital Health companies, software enabling health innovators, life sciences tools & devices are a few examples.
- **Young Generation:** The youth of today and the future is where innovation and changes in consumer

behaviour often starts, and the Sub-Fund looks to capitalize early on new consumer trends (music, video games, social, etc).

The investment process is characterized by a pragmatic top-down approach, combined with bottom-up stock picking, taking into account ESG considerations throughout the process.

The Sub-Fund is actively managed. The index MSCI World Net Total Return EUR is only used for the calculation of the performance fee (payable to the Investment Manager) and for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from the index. The index MSCI World Net Total Return EUR does not consider ESG criteria in its methodology.

## **Investment Policy**

### Main investments

The Sub-Fund will mainly invest in equities and equity related securities (including but not limited to closed-ended Real Estate Investment Trusts (REITs), ADR (American Depositary Receipt) and GDR (Global Depositary Receipt)) of companies that trend or are oriented to at least one of the following themes: Security, O2 and Ecology, Cloud & Digital, Industrial 5.0, Elder & Wellbeing, Tech Med, Young Generation.

If the Sub-Fund can invest in companies of any size / market capitalisation, a large part of investments can be made in mid and small capitalisation companies (i.e., companies with a capitalisation of less than EUR 10 billion (or equivalent), at the time of investment).

The Sub-Fund may be exposed to any country (including emerging countries, up to 20% of the Sub-Fund's net assets), to any economic sector (with the nucleus on the above-mentioned 7 themes / economic sectors) and to any currency. However, depending on financial market conditions, the investments / exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency.

The Sub-Fund will invest in the following limits:

- a maximum of 10% of its net assets in closed-ended REITS qualifying as transferable securities.
- a maximum of 10% of its net assets in China A-shares, via the use of the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect markets, or any similar acceptable securities trading and clearing linked programmes or any other eligible means providing Chinese companies stock market access which may be available.
- at least 51% of its net assets in equity assets as defined in sec. 2 para 8 of the German Investment Tax Act (2018), in order to ensure eligibility for the partial tax exemption for equity funds for German investors.

### Other investments and peculiarities

The Sub-Fund can invest in equities and equity related securities other than those above-mentioned, investment grade money market instruments and debt securities, cash, structured products and undertakings for collective investment (UCIs), within the following limits:

- Maximum of 10% of the Sub-Fund's net assets in equities and equity related securities other than those above-mentioned.
- Maximum 10% of its net assets in SPACs (Special Purpose Acquisition Companies).
- Maximum of 10% of the Sub-Fund's net assets in investment grade money market instruments and debt securities.
- In normal circumstances, maximum of 10% of the Sub-Fund's net assets in cash.
- Maximum of 10% of the Sub-Fund's net assets in structured products (as described below).
- Maximum of 10% of the Sub-Fund's net assets in UCIs.

Under exceptional circumstances, if the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold, up to 100% of its net assets, cash (at sight) and Cash Equivalents (as defined in the main body of the Prospectus, section “Definitions”).

### Structured products

The Sub-Fund may invest up to 10% of its net assets in structured products (other than asset-backed securities, mortgage-backed securities and convertible bond type instruments), such as but not limited to certificates or any other transferable securities whose returns are correlated with changes in, among others, transferable securities (equities or debt securities) or a basket of transferable securities or correlated with changes in commodities (including precious metals) with cash settlement.

The investments in structured products with or without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement, will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of articles 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the 2010 Law.

Those investments may not be used to elude the investment policy of the Sub-Fund.

### Financial Derivative Instruments and Securities Financing transactions

Within the limits set out in Section 30 “Investment restrictions” in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or over the counter (OTC), for hedging and for investment purposes, provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities, financial indices (including volatility derivatives), and currency derivatives (such as forward foreign exchange contracts) in line with the 2010 Law and any other related regulation.

For the time being the Sub-Fund will not use TRS nor enter into repurchase transactions, securities or commodities lending, securities or commodities borrowings, buy-sell back transactions nor into sell-buy back transactions. Should the Sub-Fund use such techniques and instruments in the future, the Sub-Fund will comply with applicable regulations and in particular CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 and the Prospectus will be amended accordingly.

### **3. Risk Monitoring**

The Sub-Fund’s global risk exposure is monitored by using the commitment approach. The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **4. Risk Factors**

No guarantee can be given that the Sub-Fund’s objective will be achieved and that investors will recover the amount of their initial investment. Before determining whether to invest in the Sub-Fund, prospective investors should evaluate whether they accept the risks which they will assume by buying shares of the Sub-Fund.

They are advised to carefully read the entire Prospectus and especially Chapter 35 dealing with the “Risk Considerations” before determining to invest in the Sub-Fund.

## 5. Performance History

This Sub-Fund's historical performance may be consulted in the current *Key Investor Information Document*. However, historical performance is no indicator for future performance.

## 6. Dividend Policy

This Sub-Fund pursues a policy of achieving capital growth and reinvesting income earned. As a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

## 7. Share Classes

Features of all share classes are described at Chapter 8.3 of the Prospectus "Share Classes".

## 8. Subscriptions and redemption of shares

Subscriptions or redemptions orders for Shares shall be received by the Registrar and Transfer Agent before **12:00** (Luxembourg time) at the Valuation Day.

## 9. Fees

The Sub-Fund is charged of fees as described in the below table:

- an investment management fee expressed as a percentage per annum of the net assets of the relevant class of Shares, as fully described in the Chapter 17.2 of the Prospectus and
- a performance as fully described in the Chapter 17.3.2 of the Prospectus "*Benchmark – Loss recovery: rolling period of 5 years*".

Class of Shares	Class A1	Class A1P	Class R	Class RP	Class S	Class SP	Class I	Class IP	Class DS
Investment management fee	Up to 1.80%	Up to 1.50%	Up to 1.20%	Up to 0.90%	Up to 1.80 %	Up to 1.50%	Up to 0.90 %	Up to 0.75%	Up to 0.50 %
Performance fee	-	10%*	-	10%*	-	10%*	-	10%*	-

\* The benchmark used for the calculation of the performance fees is the MSCI World Total Net Return EUR. As of the date of this Prospectus, the administrator of the Benchmark (MSCI Limited) is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.

## 10. General information on the Sub-Fund

### - Portfolio Management of the Sub-Fund

DECALIA S.A.  
31, rue du Rhône  
CH-1204 Geneva

### - Frequency of calculation of NAV (Valuation Day and Calculation Day)

Valuation Day is any Business Day as of which the assets are priced for the NAV Calculation. The NAV per Share is calculated one Business Day following each Valuation Day (Calculation Day) under the overall responsibility of

the Board of Directors. The NAV of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The NAV will be available at the registered office of the Company and of the Central Administration Agent.

## **ANNEXES - SUSTAINABILITY-RELATED DISCLOSURES**

Pre-contractual disclosure requirements specified in the Commission Delegated Regulation 2022/1288 of 6 April 2022, supplementing the Regulation (EU) 2019/2088 of the European Parliament and the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

**Annex 1 - DECALIA – Silver Generation**

**Annex 2 - DECALIA – Circular Economy**

**Annex 3 - DECALIA - Eternity**

**Annex 4 - DECALIA - Sustainable SOCIETY**

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name: Decalia SICAV – Silver Generation** (hereafter the “Sub-Fund”)

**Legal entity identifier:** 54930039F48BMAELU363

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

**Yes**
  **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
<input type="checkbox"/> with a social objective	



**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund invests mainly in equities of sectors related to the consumer trends thematic that will, based on the Investment Manager’s opinion, structurally benefit from ageing population.

The Sub-Fund promotes, among other characteristics, the following social characteristics:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- Health & Wellness: silver generation account for 75% of healthcare spending, 80% of our health cost is spent in the last 15 years of our life.
- New lifestyle: housing improvement is one of the top priorities for seniors.
- Security: IoT (Internet of Things) actors are developing specific solutions with smart objects for elderly and people with a decreasing autonomy.
- Mobility: 60+ travel cohort is expected to account for 29% of tourists in Europe by 2030.
- Financial savings: 52% of all High-Net-Worth Individual belongs in the 50+ cohort.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager uses the following sustainability metrics to measure the attainment of the social characteristics promoted by the Sub-Fund:

- Health is assessed by the Sustainable Development Goal (SDG) #3 of the United Nations: “Good health & Well-being: ensure healthy lives and promote well-being for all at all ages”. More precisely, the Investment Manager assesses these metrics through KPIs such as:
  - Controversies related to workplace accidents.
  - % of revenue from lines of business with high worker injury rates.
  - % of revenues from lines of business with high levels of labour unrest, work stoppages or related disputes.
  - Employee annual turnover.
  - Controversies related to chemical safety.
- Accessibility to pensions, healthcare and insurance are assessed by means of both MSCI's analysis and the Investment Manager proprietary model. More precisely, the Investment Manager assesses these metrics through KPIs such as:
  - Controversies related to access to healthcare.
  - Controversies related to access to finance.
  - Controversies related to H&S.
  - Workforce conditions metrics.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Sub-Fund promotes environmental and social characteristics but does not make sustainable investments as defined by the Sustainable Finance Disclosure Regulation (SFDR).

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

No



**What investment strategy does this financial product follow?**

The investment strategy integrates Environmental, Social and Governance (ESG) aspects at each stage of the investment process, from universe selection to daily monitoring, by relying on both the Investment Manager view and third-party research (such as ESG ratings from third party providers). The Investment Team works closely with the ESG Team at each stage of the investment process both in the screening/research and analysis processes and in the monitoring process.

To start with, the Sub-Fund invests in companies active in sectors related to the consumer trends thematic that will, based on the Investment Manager’s opinion, structurally benefit from ageing population.

Given the huge discrepancy and low correlation between the third-party ESG ratings of various agencies (i.e. Bloomberg, Sustainalytics, MSCI etc.), DECALIA decided to develop an internal ESG framework with a proper ESG Team made of trained analysts and to implement an internal rating system in order to mitigate the dependence on third-party data providers.

As the Investment Manager believes that ESG factors have a direct correlation with investment performance over the long run, it expects the highest standards in all three ESG pillars from our investee companies. These are the critical factors monitored:

- Management of Environmental issues:
  - o Disclosure & controversies
  - o Negative environmental impact (energy intensity, waste, biodiversity & land use, packaging etc.)
  - o Positive environmental impact (investments with chance of solving environmental issues)
  - o Toxic emissions (NOx, SOx, VOCs)
  - o Carbon emissions (absolute emissions, intensity and trend)
- Management of Social issues:
  - o Disclosure & controversies
  - o Products & supply chain (underage labor, forced labor, products safety & quality, chemical substances etc.)
  - o Employees (injuries rates, bargaining agreements, layoffs, work stoppages etc.)
  - o Privacy & data security
- Corporate Governance Standards:
  - o Disclosure & controversies
  - o Board independence
  - o Board & audit committee quality (diversity, tenure, attendance etc.)
  - o Management quality (compensation, gender diversity)
  - o Tax and ethical behavior

At Decalia, to ensure a high ESG standard the Investment Manager applies various internal and external tools throughout the investment process, from universe selection to daily monitoring. Below there is a list of the main tools used for Decalia's funds:

- MSCI ESG Report & Controversies Report
- Bloomberg ESG Data & News
- Decalia ESG Rating Model
- Exclusion List
- Engagement with companies
- Proprietary monthly reports
- Proxy Voting

The ESG Team meets the Portfolio Managers on a biweekly basis to discuss about the fund's ESG profile. The team-based approach results into an ESG assessment of all the positions in the portfolio, with a final recommendation from the ESG Team. The exclusion list and an internal ESG analysis act as a filter and investment sizing position. As a general note, the ESG framework aims to evaluate not only the status quo, but the potential for improvement as companies that improve their ESG profile tend to attract more flows and improve their valuation.

In addition to the exclusion list, the DECALIA ESG Team built a proprietary ESG Analysis process based on a quantitative model and a comparative assessment.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund will not invest in companies classified by MSCI, as exposed to the following sectors:

- White phosphorous (threshold any tie): companies that manufacture incendiary weapons using white phosphorus.
- Controversial weapons (threshold any tie): companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
- Nuclear weapons (threshold any tie): companies that have an industry tie to nuclear weapons.
- Nuclear power (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from nuclear power activities.
- Tobacco production (threshold 5%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the manufacture of tobacco products.
- Tobacco licensor (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the licensing of its brand name to tobacco products.
- Tobacco distributor (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the distribution of tobacco products.
- Tobacco supplier (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from supplying products essential to the Tobacco industry.
- Tobacco retailer (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of tobacco products.
- Adult Entertainment (threshold 5%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from adult entertainment
- Alcohol (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from alcohol.
- Gambling (threshold 10%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from gambling.

Furthermore, the Sub-Fund will not invest in companies:

- Having an ESG rating of CCC and below, as defined by MSCI ESG.
- Companies involved in red controversies according to MSCI.
- Companies that fail to comply with United Nations Global Compact Principles.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

DECALIA ESG Team has built a proprietary ESG Analysis process based on a quantitative model.

With specific reference to assessment of good governance practices of the investee companies, the Governance score process is based on:

- 66 quantitative questions designed to analyse case-by-case Governance factors of the investable universe. The Investment Manager uses MSCI ESG data base as the main raw data source.
- Questions are divided into 7 sub-categories (KPIs): Business Ethics (Corruption and Anticompetitive Practices), Audit, Tax Behaviour, Board Quality, Board Independence, Compensation, and Voting Rights & Investors Protection.
- Each KPI has a precise weight based on the proprietary materiality matrix.
- Each stock is analysed relative to the MSCI ACWI IMI Universe.
- Each company is graded on an internal scale according to the Governance Quantitative Model results.



**Asset allocation** describes the share of investments in specific assets.

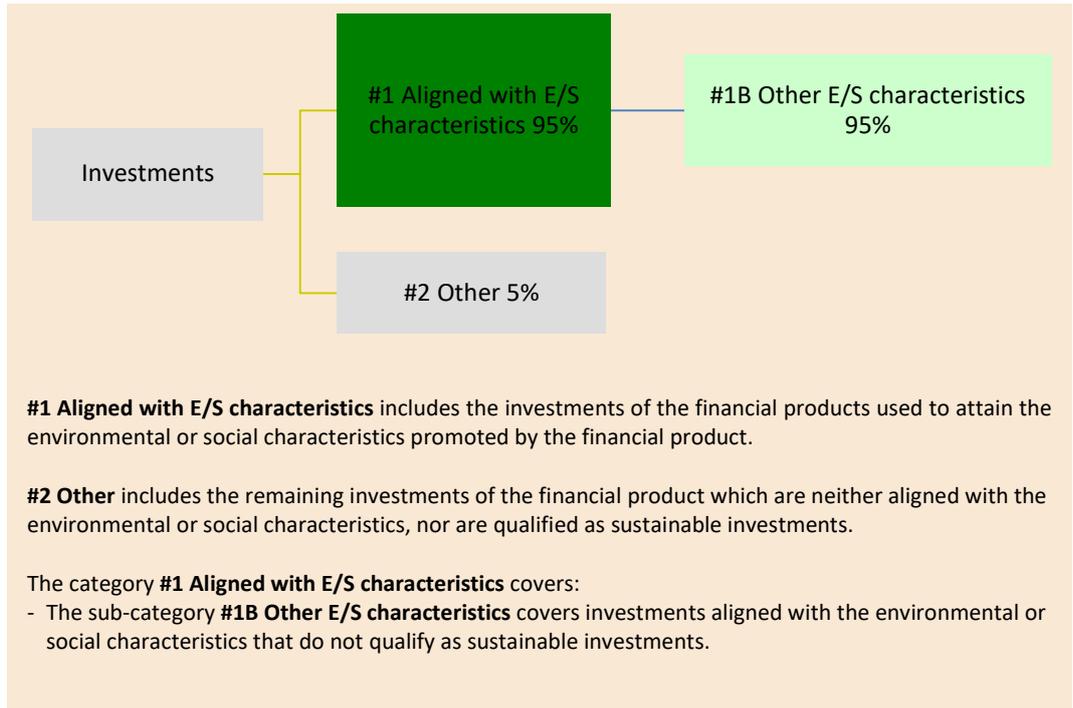
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**What is the asset allocation planned for this financial product?**

The Investment Manager is planning to invest at least 95% of the Sub-Fund's net assets in investments aligned with the environmental and social characteristics, without being qualified as sustainable investments. 35% of the investments are planned to be aligned with environmental characteristics, and 60% of the investments are planned to be aligned with social characteristic.

The Investment Manager is planning to invest a maximum of 5% of the Sub-Fund's net assets in investments which will neither be aligned with environmental or social characteristic, nor qualified as sustainable investments.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Should the Sub-Fund use derivatives, they will not be used to attain the environmental or social characteristics promoted by the Sub-Fund.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

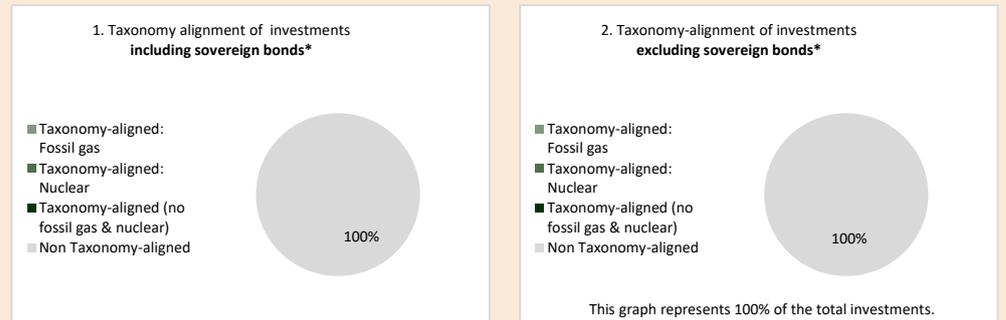
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
  - In fossil gas       In nuclear energy
- No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while*

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

*the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



- **What is the minimum share of socially sustainable investments?**

Not applicable.



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The “#2 other” portion of the portfolio includes cash. As cash doesn’t take into consideration ESG criteria, no minimum environmental or social safeguards will apply.



- **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://www.group.pictet/asset-services/fund-library/>

ANNEX III

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: **Decalia SICAV – Circular Economy** (hereafter the “Sub-Fund”)

Legal entity identifier: 222100JLVJIUWNY4WO89

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

**Yes**

   **No**

<p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 95%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b></p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
--	--



**What is the sustainable investment objective of this financial product?**

The Sub-Fund’s sustainable investment objective is to produce a positive impact by investing in companies promoting the transition from a linear to a circular economy. The Sub-Fund’s sustainable investment objective is met by investing in companies embracing one of the following sub-themes:

**Sustainability**

**indicators** measure how the sustainable objectives of this financial product are attained.

**- Circular Models.**

Increase of asset utilization by sharing, re-use and offering multiple life to products. The sustainable impact is that fewer resources are needed as products can have a much longer life and can be used more often as being shared or transferred to a different owner during their lifetime.

**- Innovative Technology.**

Investing in companies leading the transformation towards a digital and smart manufacturing economy. A circular economy needs a digital backbone in financial, manufacturing and services industries to separate the economic activity from the consumption of physical resources. Smart manufacturing technologies improve industrial processes to reduce energy and material consumption. A digital financial sector, while reducing its physical footprint, can further boost innovation and entrepreneurship and support a transition to a low-carbon economy through its lending and analytics activities.

**- Renewables.**

Renewable energy and grid infrastructure to avoid the dependence on fossil fuels. Improvement of the energy intensity of industries to free up energy needs as the most sustainable energy is the one that is not used.

**- Cleaner Environment.**

Waste collection and recycling activities. Treatment and elimination of contaminants to avoid polluting natural habitats and water resources.

**- Life Preservation.**

Biodiversity preservation with responsible and regenerative farming. Healthier living with prevention, diagnostics and nutrition.

**- Eco design.**

Design is at the base of a circular economy as products, buildings infrastructure or packaging need to be designed properly to be reused, repaired, biodegradable and recyclable.

In order to be considered as a sustainable investment, by using the “pass or fail” approach, a company must derive at least 20% of revenues or investments (capital expenditure) in the sub-themes above.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Investment Manager uses the following sustainability metrics to measure the attainment of the sustainable investment objective of the Sub-Fund:

- Reduce negative environment impact such as: energy consumption, waste, toxic and carbon emissions reduction, biodiversity and land use, water and resources consumption, etc.
- Increase positive environmental impact indicators such as: recycling rate, asset utilization, renewable energy, energy efficiency, local supply chain, etc.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments that the Sub-Fund intends to make, do not cause significant harm to any environmental or social sustainable investment objective by making sure that companies held in the portfolio:

- Comply with the UN Global Compact Principles.
- Are not involved in any red controversies according to MSCI controversy classification.
- Do not generate revenue from controversial weapons.
- Do not generate revenue from thermal coal.
- Do not generate revenue from tobacco production or distribution.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

DECALIA internal ESG framework is based on exclusion criteria as well as three quantitative checklists that answer to more than 150 questions on different KPIs.

Within its analysis, the Investment Manager takes into account the following indicators for adverse impacts on sustainability factors:

- GHG Emissions.
- Carbon Footprint.
- GHG Intensity.
- Fossil Fuel Sector.
- Share of non-renewable energy consumption and production.
- Energy consumption intensity per high impact climate sector.
- Activities negatively affecting biodiversity-sensitive areas.
- Emissions to water.
- Hazardous waste and radioactive waste ratio.
- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- Unadjusted gender pay gap.
- Board gender diversity.
- Exposure to controversial weapons.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

For sustainable investments to be aligned with UN Guiding Principles on Business and Human Rights, the Sub-Fund will not invest in companies failing to comply with Global Norms, including the United Nations Global Compact Principles (UNGC), the International Labour Organisation's (ILO) conventions, and the United Nations Guiding Principles on Business and Human Rights (UNGPBHR).

The Investment Manager does not measure the alignment with the OECD Guidelines for Multinational Enterprises.



### Does this financial product consider principal adverse impacts on sustainability factors?



Yes, at the Sub-Fund level, the Investment Manager considers the same adverse impacts on sustainability factors listed when answering to the previous question.



No



### What investment strategy does this financial product follow?

The Sub-Fund invests in companies active into the transition from a linear economy to the new paradigm of the circular economy. The circular economy is a new way of thinking about the consumption and production model: resource management, design, production and consumption. In a circular economy, factors of production flow into the economy endlessly and never end up into waste. The economic activity is decoupled from resource consumption in opposition to the linear economy where the paradigm is to take, make and waste resources. Waste is creating unsustainable environmental pressure and we are depleting our natural resource base.

The team has identified six sub-themes within the circular economy approach defined by: Circular Models, Innovative Technology, Renewables, Cleaner Environment, Life Preservation and Eco Design.

Portfolio construction is designed to embed the best ideas of the investment team for each circular economy sub-theme. The stocks weights are decided by the lead portfolio managers based on the conviction level. If two investment cases are equally promising, the team favors the one with the better ESG profile or the one with more potential to improve.

The Sub-Fund does not have a specific investment style, rather it has a conviction based approach. Country and sector allocations are the result of the investment process and may imply structural deviation compared to a traditional equity index. The result of this investment process is a diversified and concentrated portfolio focused on the sectors of the Circular Economy.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Sub-Fund's sustainable investment objective is met by investing in companies embracing one of the following sub-themes:

- **Circular Models.**

Increase of asset utilization by sharing, re-use and offering multiple-life to products. The sustainable impact is that fewer resources are needed as products can have a much longer life and can be used more often as being shared or transferred to a different owner during their life time.

- **Innovative Technology.**

Investing in companies leading the transformation towards a digital and smart manufacturing economy. A circular economy needs a digital backbone in financial, manufacturing and services industries to separate the economic activity from the consumption of physical resources. Smart manufacturing technologies improve industrial processes to reduce energy and material consumption. A digital financial sector, while reducing its physical footprint, can further boost innovation

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

and entrepreneurship and support a transition to a low-carbon economy through its lending and analytics activities.

- **Renewables.**

Renewable energy and grid infrastructure to avoid the dependence on fossil fuels. Improvement of the energy intensity of industries to free up energy needs as the most sustainable energy is the one that is not used.

- **Cleaner Environment.**

Waste collection and recycling activities. Treatment and elimination of contaminants to avoid polluting natural habitats and water resources.

- **Life Preservation.**

Biodiversity preservation with responsible and regenerative farming. Healthier living with prevention, diagnostics and nutrition.

- **Eco design.**

Design is at the base of a circular economy as products, buildings infrastructure or packaging need to be designed properly to be reused, repaired, biodegradable and recyclable.

Companies must derive at least 20% of revenues or investments (capital expenditure) in the sub-themes above.

The Investment Manager uses the following sustainability metrics to measure the attainment of the sustainable investment objective of the Sub-Fund:

- Reduce negative environment impact such as: energy consumption, waste, toxic and carbon emissions reduction, biodiversity and land use, water and resources consumption, etc.
- Increase positive environmental impact indicators such as: recycling rate, asset utilization, renewable energy, energy efficiency, local supply chain, etc.

The sustainable investments that the Sub-Fund intends to make, do not cause significant harm to any environmental or social sustainable investment objective by making sure that companies held in the portfolio:

- Comply with the UN Global Compact Principles.
- Are not involved in any red controversies according to MSCI controversy classification.
- Do not generate revenue from controversial weapons.
- Do not generate revenue from thermal coal.
- Do not generate revenue from tobacco production or distribution.

To make sure that the investee companies qualifying as sustainable investments follow good governance practice, the Investment Manager has developed a proprietary Governance Score based on a quantitative model. Investee companies qualifying as sustainable investments must have a Governance Score greater than 3 (i.e., a Positive or Best in class Governance Score).

About the DECALIA Governance Score:

- It is based on 66 quantitative questions designed to analyse case-by-case Governance factors of the investable universe. The Investment Manager uses MSCI ESG data base as the main raw data source.
- Questions are divided into 7 sub-categories (KPIs): Business Ethics (Corruption and Anticompetitive Practices), Audit, Tax Behaviour, Board

Quality, Board Independence, Compensation, and Voting Rights & Investors Protection.

- Each KPI has a precise weight based on the proprietary materiality matrix.
- Each stock is analysed relative to the MSCI ACWI IMI Universe.
- Each company is graded on an internal scale according to the Governance Quantitative Model results.
- The score goes from 0-5 (with 0 to 1 - having a low ESG profile, and 4 to 5 - being the Best-in-Class).

Furthermore, the Sub-Fund will not invest in companies classified by MSCI, as exposed to the following sectors:

- White phosphorous (threshold any tie): companies that manufacture incendiary weapons using white phosphorus.
- Controversial weapons (threshold any tie): companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
- Nuclear weapons (threshold any tie): companies that have an industry tie to nuclear weapons.
- Nuclear power (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from nuclear power activities.
- Tobacco production (threshold 5%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the manufacture of tobacco products.
- Tobacco licensor (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the licensing of its brand name to tobacco products.
- Tobacco distributor (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the distribution of tobacco products.
- Tobacco supplier (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from supplying products essential to the Tobacco industry.
- Tobacco retailer (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of tobacco products.
- Adult Entertainment (threshold 5%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from adult entertainment.
- Alcohol (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from alcohol.
- Gambling (threshold 10%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from gambling.

Finally, the Sub-Fund will not invest in companies:

- Having an ESG rating of CCC and below, as defined by MSCI ESG.
- Companies involved in red controversies according to MSCI.
- Companies that fail to comply with United Nations Global Compact Principles.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

To make sure that the investee companies qualifying as sustainable investments follow good governance practice, the Investment Manager has developed a proprietary Governance Score based on a quantitative model. Investee companies qualifying as sustainable investments must have a Governance Score greater than 3 (i.e., a Positive or Best in class Governance Score).

About the DECALIA Governance Score:

- It is based on 66 quantitative questions designed to analyse case-by-case Governance factors of the investable universe. The Investment Manager uses MSCI ESG data base as the main raw data source.
- Questions are divided into 7 sub-categories (KPIs): Business Ethics (Corruption and Anticompetitive Practices), Audit, Tax Behaviour, Board Quality, Board Independence, Compensation, and Voting Rights & Investors Protection.
- Each KPI has a precise weight based on the proprietary materiality matrix.
- Each stock is analysed relative to the MSCI ACWI IMI Universe.
- Each company is graded on an internal scale according to the Governance Quantitative Model results.
- The score goes from 0-5 (with 0 to 1 - having a low ESG profile, and 4 to 5 - being the Best-in-Class).

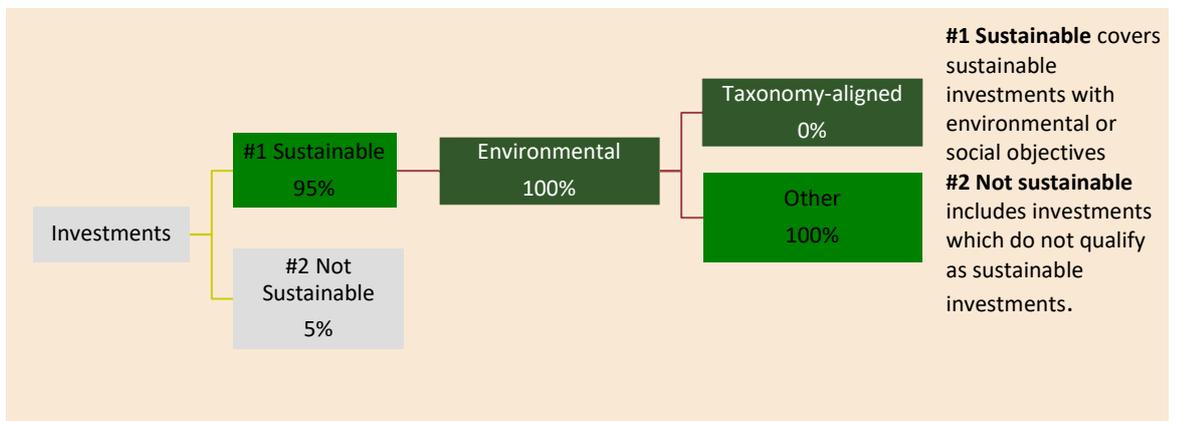


**What is the asset allocation and the minimum share of sustainable investments?**

The Investment Manager is planning to invest 95% of the Sub-Fund's investments in Environmental, not Taxonomy-aligned sustainable investments, excluding cash, cash equivalent and derivatives.

The Investment Manager is planning to invest a maximum of 5% of the Sub-Fund's investments which do not qualify as sustainable investments.

**Asset allocation** describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the sustainable investment objective?**

Should the Sub-Fund use derivatives, they will not be used to attain the sustainable investment objective.

● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund makes sustainable investments, but at the present time is not in the position to define the minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy Regulation. Therefore, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas

In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

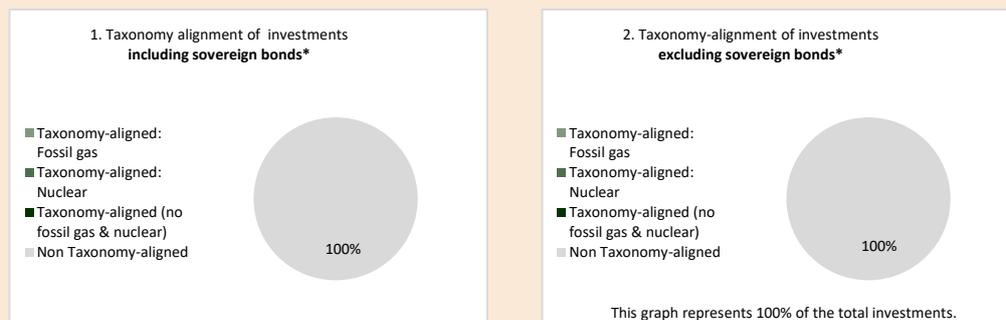
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

95%



**What is the minimum share of sustainable investments with a social objective?**

Not applicable.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The “#2 Not sustainable” portion of the portfolio includes cash and financial derivative instruments. As cash and financial derivative instruments don’t take into consideration ESG criteria, no minimum environmental or social safeguards will apply.



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No reference benchmark has been designated for the purpose of meeting the Sub-Fund’s sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

#### **Reference**

**benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://www.group.pictet/asset-services/fund-library/>

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Decalia SICAV – Eternity  
(hereafter the “Sub-Fund”)

**Legal entity identifier:**  
2221008ERL5OVBPAB14

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**
  **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> __%	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> __%	<input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> __%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund aims to benefit from the secular trend of ageing population, of which the expansion of the “silver generation”, a growing older and affluent population, is one of the most compelling consequence likely to generate investment opportunities.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- The Sub-Fund promotes, among other characteristics, the following social characteristics:
- Health: by investing in companies targeting senescence, moving away from the traditional approach of curing diseases as they appear, to fighting ageing as the root cause of most of these illnesses.
  - Accessibility to pension, healthcare and insurance: by investing in companies providing products and services related to an ageing population benefiting from above average budgets and having more leisure time than other age cohorts.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager uses the following sustainability metrics to measure the attainment of the social characteristics promoted by the Sub-Fund:

- Health is assessed by the Sustainable Development Goal (SDG) #3 of the United Nations: “Good health & Well-being: ensure healthy lives and promote well-being for all at all ages”. More precisely, the Investment Manager assesses these metrics through KPIs such as:
  - Controversies related to workplace accidents.
  - % of revenue from lines of business with high worker injury rates.
  - % of revenues from lines of business with high levels of labour unrest, work stoppages or related disputes.
  - Employee annual turnover.
  - Controversies related to chemical safety.
- Accessibility to pensions, healthcare and insurance are assessed by means of both MSCI's analysis and the Investment Manager proprietary model. More precisely, the Investment Manager assesses these metrics through KPIs such as:
  - Controversies related to access to healthcare.
  - Controversies related to access to finance.
  - Controversies related to H&S.
  - Workforce conditions metrics.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Sub-Fund promotes environmental and social characteristics but does not make sustainable investments as defined by the Sustainable Finance Disclosure Regulation (SFDR).

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

No



**What investment strategy does this financial product follow?**

The investment strategy integrates Environmental, Social and Governance (ESG) aspects at each stage of the investment process, from universe selection to daily monitoring, by relying on both the Investment Manager view and third-party research (such as ESG ratings from third party providers). The Investment Team works closely with the ESG Team at each stage of the investment process both in the screening/research and analysis processes and in the monitoring process.

To start with, the Sub-Fund invests in companies that can:

- Help in the fight against senescence and/or
- Benefit from the secular trend of ageing populations.

Given the huge discrepancy and low correlation between the third-party ESG ratings of various agencies (i.e. Bloomberg, Sustainalytics, MSCI etc.), DECALIA decided to develop an internal ESG framework with a proper ESG Team made of trained analysts and to

implement an internal rating system in order to mitigate the dependence on third-party data providers.

As the Investment Manager believes that ESG factors have a direct correlation with investment performance over the long run, it expects the highest standards in all three ESG pillars from our investee companies. These are the critical factors monitored:

- Management of Environmental issues:
  - o Disclosure & controversies
  - o Negative environmental impact (energy intensity, waste, biodiversity & land use, packaging etc.)
  - o Positive environmental impact (investments with chance of solving environmental issues)
  - o Toxic emissions (NOx, SOx, VOCs)
  - o Carbon emissions (absolute emissions, intensity and trend)
- Management of Social issues:
  - o Disclosure & controversies
  - o Products & supply chain (underage labor, forced labor, products safety & quality, chemical substances etc.)
  - o Employees (injuries rates, bargaining agreements, layoffs, work stoppages etc.)
  - o Privacy & data security
- Corporate Governance Standards:
  - o Disclosure & controversies
  - o Board independence
  - o Board & audit committee quality (diversity, tenure, attendance etc.)
  - o Management quality (compensation, gender diversity)
  - o Tax and ethical behavior

At Decalia, to ensure a high ESG standard the Investment Manager applies various internal and external tools throughout the investment process, from universe selection to daily monitoring. Below there is a list of the main tools used for Decalia's funds:

- MSCI ESG Report & Controversies Report
- Bloomberg ESG Data & News
- Decalia ESG Rating Model
- Exclusion List
- Engagement with companies
- Proprietary monthly reports
- Proxy Voting

The ESG Team meets the Portfolio Managers on a biweekly basis to discuss about the fund's ESG profile. The team-based approach results into an ESG assessment of all the positions in the portfolio, with a final recommendation from the ESG Team. The exclusion list and an internal ESG analysis act as a filter and investment sizing position. As a general note, the ESG framework aims to evaluate not only the status quo, but the potential for improvement as companies that improve their ESG profile tend to attract more flows and improve their valuation.

In addition to the exclusion list, the DECALIA ESG Team built a proprietary ESG Analysis process based on a quantitative model and a comparative assessment.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund will not invest in companies classified by MSCI, as exposed to the following sectors:

- White phosphorous (threshold any tie): companies that manufacture incendiary weapons using white phosphorus.
- Controversial weapons (threshold any tie): companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
- Nuclear weapons (threshold any tie): companies that have an industry tie to nuclear weapons.
- Nuclear power (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from nuclear power activities.
- Tobacco production (threshold 5%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the manufacture of tobacco products.
- Tobacco licensor (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the licensing of its brand name to tobacco products.
- Tobacco distributor (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the distribution of tobacco products.
- Tobacco supplier (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from supplying products essential to the Tobacco industry.
- Tobacco retailer (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of tobacco products.
- Adult Entertainment (threshold 5%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from adult entertainment
- Alcohol (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from alcohol.
- Gambling (threshold 10%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from gambling.

Furthermore, the Sub-Fund will not invest in companies:

- Having an ESG rating of CCC and below, as defined by MSCI ESG.
- Companies involved in red controversies according to MSCI.
- Companies that fail to comply with United Nations Global Compact Principles.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

DECALIA ESG Team has built a proprietary ESG Analysis process based on a quantitative model.

With specific reference to assessment of good governance practices of the investee companies, the Governance score process is based on:

- 66 quantitative questions designed to analyse case-by-case Governance factors of the investable universe. The Investment Manager uses MSCI ESG data base as the main raw data source.
- Questions are divided into 7 sub-categories (KPIs): Business Ethics (Corruption and Anticompetitive Practices), Audit, Tax Behaviour, Board Quality, Board Independence, Compensation, and Voting Rights & Investors Protection.
- Each KPI has a precise weight based on the proprietary materiality matrix.
- Each stock is analysed relative to the MSCI ACWI IMI Universe.
- Each company is graded on an internal scale according to the Governance Quantitative Model results.



**What is the asset allocation planned for this financial product?**

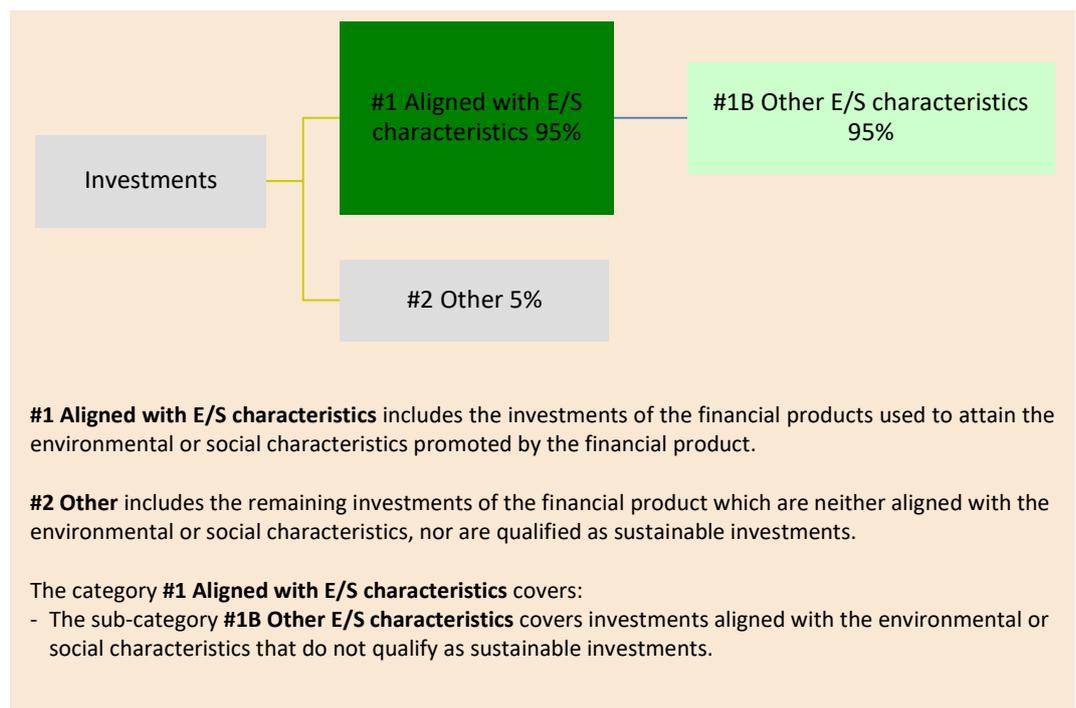
The Investment Manager is planning to invest at least 95% of the Sub-Fund’s net assets in investments aligned with the environmental and social characteristics, without being qualified as sustainable investments. 35% of the investments are planned to be aligned with environmental characteristics, and 60% of the investments are planned to be aligned with social characteristic.

The Investment Manager is planning to invest a maximum of 5% of the Sub-Fund’s net assets in investments which will neither be aligned with environmental or social characteristic, nor qualified as sustainable investments.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



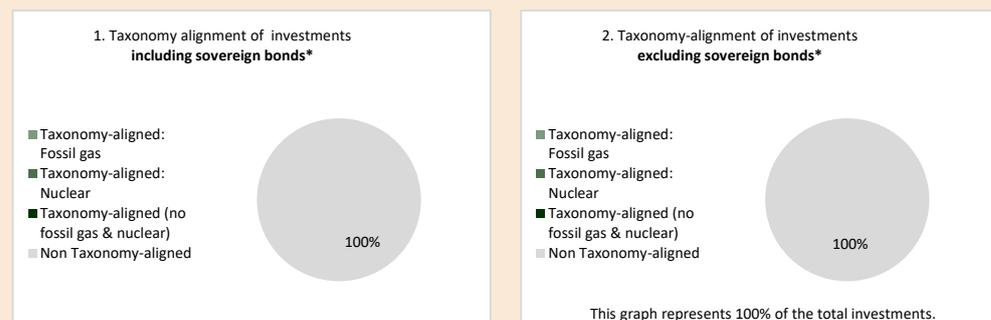
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
  - In fossil gas       In nuclear energy
- No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The “#2 other” portion of the portfolio includes cash. As cash doesn’t take into consideration ESG criteria, no minimum environmental or social safeguards will apply.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://www.group.pictet/asset-services/fund-library/>

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name: Decalia SICAV – Sustainable SOCIETY** (hereafter the “Sub-Fund”)

**Legal entity identifier:** 222100DX14NY8ITEUQ37

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

**Yes**

   **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b>	<input checked="" type="checkbox"/> <b>It promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15 % of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund aims to capitalize on the growth of sustainable and innovative sectors and companies that will shape and benefit our society in the future.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund promotes, among other characteristics, the following environmental and social characteristics:

- Security: by investing in companies active in cybersecurity and physical security.
- O2 & Ecology: by investing in companies that enable a cleaner environment active in electric vehicles & batteries, renewable energy, and water.
- Cloud & Digital.
- Industrial 5.0 (the new industrial revolution): by investing in companies active in robotics, automation, big data, the internet of things and artificial intelligence.
- Elder & Wellbeing.
- Tech-Med.
- Young Generation.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager uses the following sustainability metrics to measure the attainment of the environmental and social characteristics promoted by the Sub-Fund.

Environmental characteristics are assessed through KPIs such as:

- Disclosure & controversies.
- Negative environmental impact (energy intensity, waste, biodiversity & land use, packaging etc.).
- Positive environmental impact (investments with chance of solving environmental issues).
- Toxic emissions (NOx, SOx, VOCs)
- Carbon emissions (absolute emissions, intensity, and trend).

Social characteristics are assessed through KPIs such as:

- Disclosure & controversies.
- Products & supply chain (underage labour, forced labour, products safety & quality, chemical substances etc.).
- Employees (injuries rates, bargaining agreements, layoffs, work stoppages etc.).
- Privacy & data security.
- Corporate Governance Standards.
- Disclosure & controversies.
- Board independence.
- Board & audit committee quality (diversity, tenure, attendance etc.).
- Management quality (compensation, gender diversity).
- Tax and ethical behaviour.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the Sub-Fund intends to make is to capitalize on the growth of sustainable and innovative sectors and companies that will shape and benefit our society in the future.

In order to be considered as a sustainable investment, by using the “pass or fail” approach, a company must at least generate 20% of revenues from impact solutions such as nutrition, sanitation, major diseases treatment, SME finance, education or affordable real estate, alternative energy, energy efficiency, green building, pollution prevention and sustainable water.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments that the Sub-Fund partially intends to make, do not cause significant harm to any environmental or social sustainable investment objective by making sure that companies held in the portfolio:

- Comply with the UN Global Compact Principles.
- Are not involved in any red controversies according to MSCI controversy classification.
- Do not generate revenue from controversial weapon.
- Do not generate revenue from thermal coal.
- Do not generate revenue from tobacco production or distribution.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

DECALIA internal ESG framework is based on exclusion criteria as well as three quantitative checklists that answer to more than 150 questions on different KPIs.

Within its analysis, the Investment Manager takes into account the following indicators for adverse impacts on sustainability factors:

- GHG Emissions.
- Carbon Footprint.
- GHG Intensity.
- Fossil Fuel Sector.
- Share of non-renewable energy consumption and production.
- Energy consumption intensity per high impact climate sector.
- Activities negatively affecting biodiversity-sensitive areas.
- Emissions to water.
- Hazardous waste and radioactive waste ratio.
- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- Unadjusted gender pay gap.
- Board gender diversity.
- Exposure to controversial weapons.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

For sustainable investments to be aligned with UN Guiding Principles on Business and Human Rights, the Sub-Fund will not invest in companies failing to comply with Global Norms, including the United Nations Global Compact Principles (UNGC), the International Labour Organisation's (ILO) conventions, and the United Nations Guiding Principles on Business and Human Rights (UNGPHR).

The Investment Manager does not measure the alignment with the OECD Guidelines for Multinational Enterprises.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes, at the Sub-Fund level, the Investment Manager considers the same adverse impacts on sustainability factors listed when answering to the previous question.
- No



**What investment strategy does this financial product follow?**

The Sub-Fund is a global actively managed multi-thematic fund that aims to capitalize on the growth of sustainable and innovative sectors and companies that will shape our society in the future. The themes are captured by the acronym SOCIETY: the Sub-Fund focuses on environmental, social and governance factors which benefit the whole society.

These companies feature good and improving ESG profiles and are identified upon a three-pillar approach: normative ESG screening, controversial approach and exclusions, and a proprietary qualitative ESG approach.

Please refer to the question "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics

promoted by this financial product?” for more information about the normative ESG screening as well as the controversial approach and exclusions pillars.

Given the huge discrepancy and low correlation between the third-party ESG ratings of various agencies (i.e., Bloomberg, Sustainalytics, MSCI etc.), DECALIA decided to develop an internal ESG framework with a proper ESG Team made of trained analysts and to implement an internal rating system in order to mitigate the dependence on third-party data providers.

As the Investment Manager believes that ESG factors have a direct correlation with investment performance over the long run, it expects the highest standards in all three ESG pillars from the investee companies. These are the critical factors monitored:

Management of Environmental issues:

- Disclosure & controversies
- Negative environmental impact (energy intensity, waste, biodiversity & land use, packaging etc.)
- Positive environmental impact (investments with chance of solving environmental issues)
- Toxic emissions (NOx, SOx, VOCs)
- Carbon emissions (absolute emissions, intensity and trend)

Management of Social issues:

- Disclosure & controversies
- Products & supply chain (underage labor, forced labor, products safety & quality, chemical substances etc.)
- Employees (injuries rates, bargaining agreements, layoffs, work stoppages etc.)
- Privacy & data security

Corporate Governance Standards:

- Disclosure & controversies
- Board independence
- Board & audit committee quality (diversity, tenure, attendance etc.)
- Management quality (compensation, gender diversity)
- Tax and ethical behavior

At Decalia, to ensure a high ESG standard, the Investment Manager applies various internal and external tools throughout the investment process, from universe selection to daily monitoring. Below there is a list of the main tools use for Decalia’s funds:

- MSCI ESG Report & Controversies Report
- Bloomberg ESG Data & News
- Decalia ESG Rating Model
- Exclusion List
- Engagement with companies
- Proprietary monthly reports
- Proxy Voting

The ESG Team meets the Portfolio Managers on a biweekly basis to discuss about the fund’s ESG profile. The team-based approach results into an ESG assessment of all the positions in the portfolio, with a final recommendation from the ESG Team. The exclusion list and an internal ESG analysis act as a filter and investment sizing position. As a general note, the ESG framework aims to evaluate not only the status quo, but the potential for

improvement as companies that improve their ESG profile tend to attract more flows and improve their valuation.

In addition to the exclusion list, the DECALIA ESG Team built a proprietary ESG Analysis process based on a quantitative model and a comparative assessment.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund will not invest in companies classified by MSCI, as exposed to the following sectors:

- White phosphorous (threshold any tie): companies that manufacture incendiary weapons using white phosphorus.
- Controversial weapons (threshold any tie): companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
- Nuclear weapons (threshold any tie): companies that have an industry tie to nuclear weapons.
- Nuclear power (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from nuclear power activities.
- Tobacco production (threshold 5%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the manufacture of tobacco products.
- Tobacco licensor (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the licensing of its brand name to tobacco products.
- Tobacco distributor (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from the distribution of tobacco products.
- Tobacco supplier (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from supplying products essential to the Tobacco industry.
- Tobacco retailer (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from retail sales of tobacco products.
- Adult Entertainment (threshold 5%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from adult entertainment.
- Alcohol (threshold 15%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from alcohol.
- Gambling (threshold 10%): the recent-year percent of revenue, or maximum estimated percent, a company has derived from gambling.

Furthermore, the Sub-Fund will not invest in companies:

- Having an ESG rating of CCC and below, as defined by MSCI ESG.
- Companies involved in red controversies according to MSCI.
- Companies that fail to comply with United Nations Global Compact Principles.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

To make sure that the investee companies qualifying as sustainable investments follow good governance practice, the Investment Manager has developed a proprietary Governance Score based on a quantitative model. Investee companies qualifying as sustainable investments must have a Governance Score greater than 3 (i.e., a Positive or Best in class Governance Score).

About the DECALIA Governance Score:

- It is based on 66 quantitative questions designed to analyse case-by-case Governance factors of the investable universe. The Investment Manager uses MSCI ESG data base as the main raw data source.
- Questions are divided into 7 sub-categories (KPIs): Business Ethics (Corruption and Anticompetitive Practices), Audit, Tax Behaviour, Board Quality, Board Independence, Compensation, and Voting Rights & Investors Protection.
- Each KPI has a precise weight based on the proprietary materiality matrix.
- Each stock is analysed relative to the MSCI ACWI IMI Universe.
- Each company is graded on an internal scale according to the Governance Quantitative Model results.
- The score goes from 0-5 (with 0 to 1 - having a low ESG profile, and 4 to 5 - being the Best-in-Class).



**Asset allocation** describes the share of investments in specific assets.

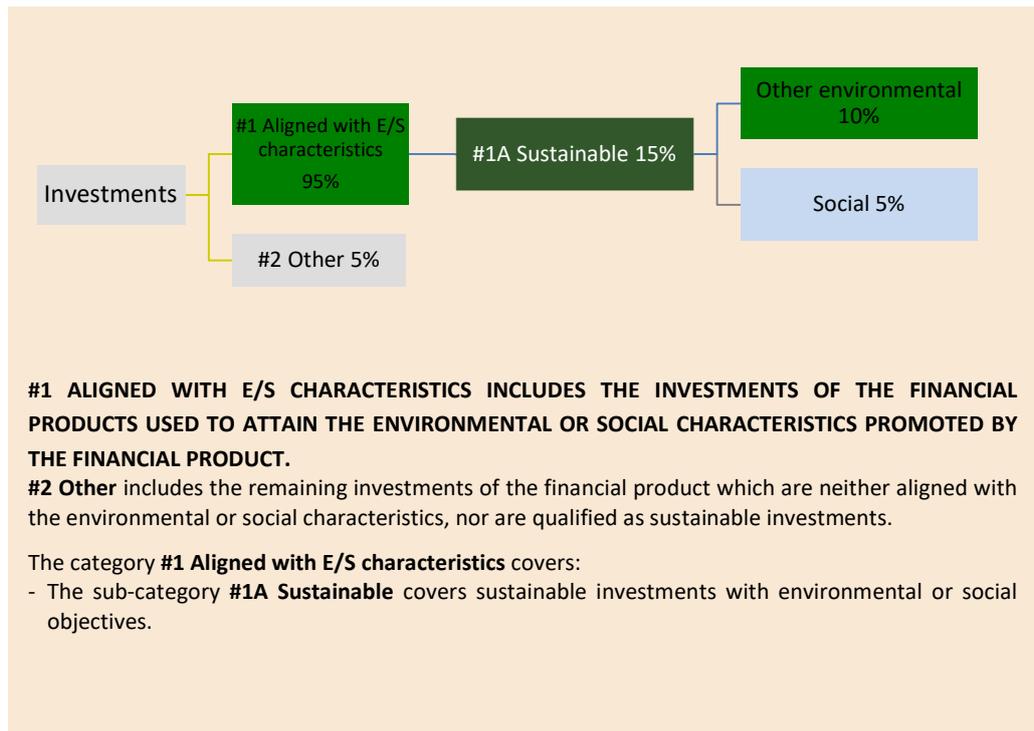
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**What is the asset allocation planned for this financial product?**

The Investment Manager is planning to invest at least 95% of the Sub-Fund's net assets in investments aligned with the environmental and social characteristics, while allocating 15% of the Sub-Fund's net assets in sustainable investments, of which 10% in other, not Taxonomy-aligned environmental investments and 5% in social investments.

The Investment Manager is planning to invest a maximum of 5% of the Sub-Fund's net assets in investments which are neither aligned with environmental and social characteristics nor qualifying as sustainable investments.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Should the Sub-Fund use derivatives, they will not be used to attain the environmental or social characteristics promoted by the Sub-Fund.



● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund promotes environmental characteristics, has a minimum proportion of sustainable investments, and does not aim to invest in environmentally sustainable economic activities as defined by the EU Taxonomy Regulation. Therefore, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas

In nuclear energy

No

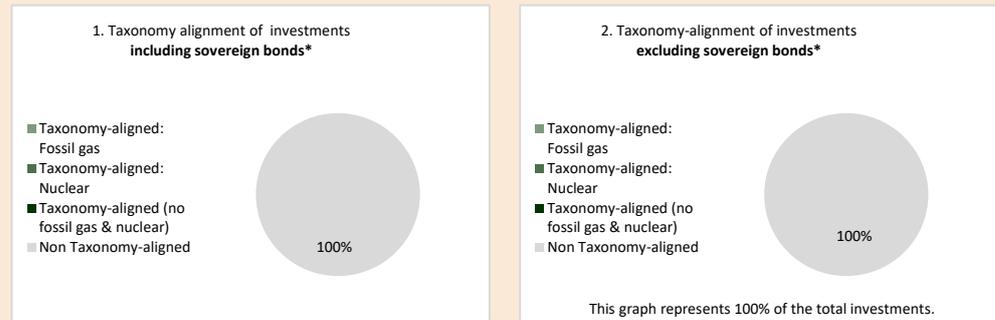
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Investment Manager is planning to make at least 10% of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

**What is the minimum share of socially sustainable investments?**

The Investment Manager is planning to make at least 5% of sustainable investments with a social objective.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The “#2 other” portion of the portfolio includes cash. As cash doesn’t take into consideration ESG criteria, no minimum environmental or social safeguards will apply.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***  
Not applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***  
Not applicable.
- ***How does the designated index differ from a relevant broad market index?***  
Not applicable.
- ***Where can the methodology used for the calculation of the designated index be found?***  
Not applicable.



**Where can I find more product specific information online?**

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