

VISA 2024/175548-11134-0-PC

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

Luxembourg, le 2024-02-07

Commission de Surveillance du Secteur Financier

A handwritten signature in blue ink, appearing to be 'h3h', is written over a faint rectangular stamp.

# **PROSPECTUS**

relating to the permanent offering and issue of Units in

## **A&G FLOTA**

A mutual investment fund organized under the laws  
of the Grand Duchy of Luxembourg

**FEBRUARY 2024**

The Units referred to in this prospectus (the "Prospectus") are offered solely on the basis of the information contained herein and in the reports referred to in the Prospectus. In connection with the offer hereby made, no person is authorized to give any information or to make any representations other than those contained in the Prospectus and the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information contained in the Prospectus shall be solely at the risk of the purchaser.

The Units have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940. The Units may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to U.S. Persons (as defined in Regulation S under the Securities Act) except to certain qualified U.S. institutions in reliance on certain exemptions from the registration requirements of the Securities Act and with the consent of the Management Company. Neither the Units nor any interest therein may be beneficially owned by any other U.S. Person. The Fund's Management Regulations restrict the sale and transfer of Units to U.S. Persons and the Management Company may repurchase Units held by a U.S. Person or refuse to register any transfer to a U.S. Person as it deems appropriate to assure compliance with the Securities Act. See Heading "Subscription of Units".

The Management Company draws the investors' attention to the fact that any investors will only be able to fully exercise his investor rights directly against the UCITS, in the unitholders' register of the UCITS. In cases where an investor invests in the UCITS through an intermediary investing into the UCITS in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the UCITS. Investors are advised to take advice on their rights.

#### Data Protection

In accordance with 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, as may be amended from time to time (the "**Data Protection Regulation**"), the Management Company, acting as data controller (the "**Controller**"), collects, stores and processes, by electronic or other means, the data supplied by the investors at the time of its/her/its subscription for the purpose of fulfilling the services required by the investor and for complying with applicable legal obligations.

The data processed may include the name, contact details (including postal and/or e-mail address and/or telephone number), ID card number (and any photos that may be contained therein), tax identification numbers, banking details and invested amounts ("**Personal Data**") of the investor and other related

natural persons (or, when the investor is a legal entity, of its contact person(s) and/or beneficial owner(s)) (“**Data Subjects**”).

The Data Subjects may, at his/her/its discretion, refuse to communicate the Personal Data to the Fund. However, in this event, the investor’s subscription in the Fund may fail to be processed and, if such refusal is made once the investor has already become a Unitholder, may result in the blocking of his/her/its account and, if not remedied, may result in the compulsory redemption of his/her/its Units.

Personal Data supplied by the Data Subjects is for the legitimate interests of the Fund to carry out its functions and to comply with the legal obligations imposed on the Management Company and the Fund, particularly by the Law of 2010, the applicable laws and regulations on the fight against money laundering and counter-terrorist financing and applicable FATCA and CRS laws and regulations. In particular, the Personal Data supplied by the Data Subjects is processed for the purposes of (i) subscribing in the Fund, (ii) maintaining the register of Units; (iii) processing subscriptions, redemptions and conversions of Units; (iv) account administration and (v) complying with applicable anti-money laundering and terrorism financing rules and other legal obligations, such as applying due diligence measures and, if applicable, reporting in respect of CRS/FATCA obligations.

The Personal Data may also be processed by service providers acting on behalf of the controller (the “**Processors**”) which, in the context of the above mentioned purposes, refer to (i) the Depositary Bank and Principal Paying Agent, (ii) the Register and Transfer Agent, (iii) the Investment Manager or Investment Advisor for the relevant Sub-Fund (iv) any Distributor(s), (v) the auditor of the Fund, and (vi) any legal or tax advisor(s) of the Fund. In certain circumstances, the Processors may also process Personal Data of Data Subjects as controllers, in particular for compliance with their legal obligations in accordance with laws and regulations applicable to them (such as anti-money laundering identification) and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities.

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.

In the event that Personal Data is not provided by the Data Subjects themselves, the Unitholders represent that they have authority to provide such Personal Data of other Data Subjects. If the Unitholders are not natural persons, they undertake and warrant to (i) adequately inform any such other Data Subject about the processing of their Personal Data and their related rights as described above and in the subscription form and (ii) where necessary and appropriate,

obtain in advance any consent that may be required for the processing of the Personal Data.

In accordance with the conditions set forth by the Data Protection Regulation, the Data Subjects acknowledge his/her/its right to:

- access his/her/its Personal Data;
- correct his/her/its Personal Data where it is inaccurate or incomplete;
- object to or restrict the processing of his/her/its Personal Data;
- request for erasure of his/her/its Personal Data;
- request for Personal Data portability.

The Data Subjects also acknowledge the existence of his/her/its right to lodge a complaint with the Luxembourg National Commission for Data Protection (“**CNPD**”).

The Data Subjects may exercise the above rights by writing to the Management Company at the following address: 6A, rue Gabriel Lippmann, L-5365 Munsbach (Grand Duchy of Luxembourg), Fax: (+352) 26898051.

Personal Data shall not be retained for periods longer than those required for their processing subject to any limitation periods imposed by applicable laws, i.e. the processing will continue until the later of:

- the full redemption of the Units by the Unitholder; and
- the processing no longer being subject to an applicable legal or regulatory requirement to continue to store the Personal Data.

#### Sustainability related disclosure

As at the date of the current Prospectus, none of the Sub-Funds of the Fund integrate sustainability risks, as defined in Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”), into their investment decisions. Therefore, the Management Company does not deem sustainability factors to have any likely impact on the returns of the Units. In case any of the Sub-Funds follows a strategy in line with sustainable investment objectives or integrate sustainability factors into their investment decisions, the Prospectus will be updated according to the requirements of the SFDR and the investors will be duly informed and notified in advance.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Management Company has updated its ESG (Environmental, Social and Governance) policy, in accordance with SFDR, which is available on its website at <http://www.adepa.com/third-party-fund-management-company/regulatory-section/> .

Art. 7 SFDR: Transparency of adverse sustainability impacts at financial product level.

Unless otherwise stated in the relevant Appendix for each Sub-Fund, the consideration and measurement of principal adverse impacts of investment decisions on sustainability factors is not intended for this product taking into account the size of the Management Company, in accordance with article 4.3 of SFDR.

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1. *OVERVIEW*

**FUND**

A&G FLOTA  
6A, rue Gabriel Lippmann  
L -5365 Munsbach  
Grand Duchy of Luxembourg

**MANAGEMENT COMPANY AND CENTRAL ADMINISTRATION**

ADEPA Asset Management S.A.  
6A, rue Gabriel Lippmann  
L -5365 Munsbach  
Grand Duchy of Luxembourg

**PROMOTER/INITIATOR**

A&G Banca Privada S.A.,  
Calle Joaquín Costa 26  
28002 Madrid  
Spain

**MEMBERS OF THE BOARD**

Carlos Alberto Morales López, Director and CEO  
ADEPA Asset Management S.A., 6A, rue Gabriel  
Lippmann, L -5365 Munsbach, Grand Duchy of  
Luxembourg

Jean-Noël Lequeue, Director  
ADEPA Asset Management S.A., 6A, rue Gabriel  
Lippmann, L -5365 Munsbach, Grand Duchy of  
Luxembourg

Philippe Beckers, Director  
ADEPA Asset Management S.A., 6A, rue Gabriel  
Lippmann, L -5365 Munsbach, Grand Duchy of  
Luxembourg



**DEPOSITARY / PAYING AGENT**

QUINTET PRIVATE BANK (EUROPE) S.A.  
Boulevard Royal 43,  
L-2955 Luxembourg,  
Grand Duchy of Luxembourg

**REGISTRAR AND TRANSFER AGENT**

ADEPA Asset Management S.A.  
6A, rue Gabriel Lippmann  
L -5365 Munsbach  
Grand Duchy of Luxembourg

**INVESTMENT MANAGER**

A&G Fondos SGIIC S.A.,  
Pº Castellana, 92  
28046 Madrid Spain

**AUDITORS**

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator B.P. 1443  
L-1014 Luxembourg  
Grand Duchy of Luxembourg

## 2. GLOSSARY

**Applicable Laws** – means all statutory (including any code, order, regulation, instrument or subordinate legislation) and other law whether in the Grand Duchy of Luxembourg or elsewhere and all applicable European Union law and all circulars or regulations issued by any relevant regulatory or supervisory authority (including the CSSF).

**Business Day** – a full day on which banks and the stock exchange are open for business in Luxembourg City

**Category** – group of units of each Class, which are sub-divided into accumulation of income or distribution of dividends

**Class** – group of units of each Sub-Fund which may differ, inter alia, in respect of their specific denominated currency, charging structures or other specific features

**CoCo or CoCos** – means subordinated contingent capital securities, instruments issued by banking institutions to increase their capital buffers in the framework of new banking regulations;

**CSSF Circular 16/644** - means Circular 16/644 issued by CSSF on 11 October 2016 regarding provisions applicable to credit institutions acting as UCITS depositary subject to Part I of the law of 17 December 2010 relating to undertakings for collective investment and to all UCITS, where appropriate, represented by their management company as may be amended from time to time.

**Depositary** - QUINTET PRIVATE BANK (EUROPE) S.A. **EU** – the European Union

**Euro or EUR** – the single currency of the member states of the Economic and Monetary Union. As of the date of the current Prospectus, the Euro is officially the common currency unit for the following countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Portugal, Slovakia, Slovenia, Spain and The Netherlands

**Fund** – a Luxembourg *fonds commun de placement* as more fully described below in the section entitled “The Fund”, known as “A&G FLOTA”

**Group of Companies** — companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts or according to recognized international accounting rules

**Institutional Investor** – institutional investors, as defined by guidelines or recommendations issued by the Regulatory Authority from time to time

**Investment Manager** – A&G Fondos SGIIC S.A.

**Law of 2010** – the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended by the Law of 10<sup>th</sup> May 2016

**Law of 2016** – amending the law of 17 December 2010 on Undertakings for Collective Investment, implementing Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions

**Management Company** – ADEPA Asset Management S.A.

**Management Company Managers Board** – means the Executive Committee (the “**Conducting Officers Committee**”) of Adepa Asset Management S.A., pursuant to resolutions of the Board of Directors dated 27 September 2018, the Board of Directors has delegated to the Conducting Officers Committee the day-to-day management of the Management Company in accordance with corporate policies and purposes.

**Management Regulations** – management regulations of the Fund dated 10 April 2017, as amended from time to time

**Member State** – a member state of the European Union

**Mémorial** – the Mémorial C, Recueil des Sociétés et Associations

**MiFID** - Directive 2014/65/EU of the European Parliament and of the Council of 15/5/2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended or supplemented from time to time

**Money Market Instruments** – instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time

**Net Asset Value** – the net asset value, issue price, repurchase and conversion price per Unit of the relevant Sub-Fund as determined in the Reference Currency on each Valuation Day in accordance with the section below entitled “Determination of the Net Asset Value of Units”

**Non-Investment Grade** - means, in respect of securities, securities rated below securities which are of Investment Grade;

**OECD** – The Organisation for Economic Co-operation and Development. An international economic organisation of 34 countries (the list includes 21 of the 28 European Union member states), founded in 1961 in order to stimulate economic progress and world trade.

**OECD countries members** – Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden Switzerland, Turkey, United Kingdom, United States.

**OTC** – Over the Counter

**Reference Currency** – the currency in which the Fund or each Sub-Fund is denominated

**Regulated Market** – a regulated market as defined in the Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field (“Directive 93/22/EEC”)

**Regulation EU 2015/2365** - amending Regulation EU No 648/2012 (EMIR) on transparency of securities financing transactions (SFTs) and of reuse

**Regulatory Authority** – the Luxembourg authority or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg

**Securities financing transactions or “SFT”** – a repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction and a margin lending transaction under the scope of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse

**Sub-Fund** – a separate portfolio of assets within the Fund

**Transferable Securities** – (i) shares in companies and other securities equivalent to shares in companies (“shares”); (ii) bonds and other forms of securitised debt (“debt securities”) and (iii) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as techniques and instruments as described hereafter

**UCI** – an undertaking for collective investment as defined by Luxembourg law

**UCITS** – an undertaking for collective investment in transferable securities under Article 1(2) of the UCITS Directive

**UCITS IV Directive** – Directive 2009/65/EC of the European Parliament and of the Council of July 2009, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by UCITS V Directive

**UCITS V Directive** – Directive 2014/91/EU (amending Directive 2009/65/EC) of the European Parliament and of the Council of July 2014, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions. This directive introduces new rules on UCITS depositaries, such as the entities eligible to assume this role, their tasks, delegation arrangements and the depositaries' liability as well as general remuneration principles that apply to fund managers.

**Unitholder** – owner of Units

**Units** – each unit within any Sub-Fund

**Valuation Day** – each Business Day in Luxembourg, as of which the Net Asset Value per Unit of the Sub-Funds is calculated according to the Appendices

### 3. THE FUND

The Fund is organized in and under the laws of the Grand Duchy of Luxembourg as a mutual investment fund ("*fonds commun de placement*") with separate Sub-Fund(s) constituting each a separate portfolio of assets and liabilities. The Fund is registered with the Luxembourg Companies and Trade Register (*Registre de Commerce et des Sociétés*) under number K 1755.

The Fund is registered pursuant to Part I of the Law of 2010. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorized and unlawful.

The Fund is promoted by A&G Banca Privada S.A., a public limited company ("*société anonyme*"), incorporated in 1986 for an unlimited period of time, with registered office at C/ Joaquín Costa 26, Madrid, Spain, authorized by the Spanish Authorities as a UCITs Management Company.

In accordance with the Management Regulations, the board of directors of the Management Company may issue Units in each Sub-Fund. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objectives applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs.

Each Sub-Fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Sub-Fund. A purchase of Units relating to one particular Sub-Fund does not give the holder of such Units any rights with respect to any other Sub-Fund.

The net proceeds from the subscription to each Sub-Fund are invested in the specific portfolio of assets constituting that Sub-Fund.

With regard to third parties, each Sub-Fund will be exclusively responsible for all liabilities attributable to it.

The specific investment policy and features of the Sub-Funds are described in detail in the Appendices below.

The board of directors of the Management Company may, at any time, create additional Sub-Funds. In that event the Prospectus will be updated accordingly.

Furthermore, in respect of each Sub-Fund, the board of directors of the Management Company may decide to issue one or more Classes of Units, each Class having e.g. a specific sales and redemption charge structure, a specific management fee structure, different distribution, Unitholders servicing or other fees, different types of targeted investors, different currencies and/or such other features as may be determined by the board of directors of the Management Company from time to time. The currency in which the Classes of Units are denominated may differ from the Reference Currency of the relevant Sub-Fund. The Management Company may, at the expense of the relevant Class of Units, use instruments such as forward currency contracts to hedge the exposure of the investments denominated in other currencies than the currency in which the relevant Class of Units is denominated.

The Classes of Units will be sub-divided into two Categories: accumulation of income and distribution of dividends.

The Classes of Units and their Categories for each Sub-Fund are indicated in the relevant Appendix.

The amounts invested in the various Classes of Units of each Sub-Fund are themselves invested in a common underlying portfolio of investments. The Management Company may decide to create further Classes of Units with different characteristics and, in such case, this Prospectus will be updated accordingly.

Units of different Classes within each Sub-Fund may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Unit, within the relevant Sub-Fund, as defined in the Management Regulations.

The Fund is managed in the interest of its Unitholders by the Management Company, a public limited company ("*société anonyme*") incorporated under the laws of Luxembourg and having its registered office in Munsbach, Grand Duchy of Luxembourg.

The assets of the Fund are separate from those of the Management Company and from those of other funds managed by the Management Company.

The Management Company manages the assets of the Fund in accordance with the Management Regulations effective on 10 April 2017. The Management Regulations are deposited with the Registre de Commerce et des Sociétés Luxembourg, where they may be inspected

and copies may be obtained. A notice advising of the publication and deposit of the Management Regulations with the registry was published in the Mémorial C

#### 4. *INVESTMENT OBJECTIVES AND POLICIES*

##### 4.1 Investment Objective of the Fund

The purpose of the Fund is to provide investors with an opportunity for investment in a professionally managed mutual investment fund in order to achieve an optimum return from the capital invested.

The Fund will seek to achieve its objective, in accordance with the policies and guidelines established by the board of directors of the Management Company.

For this purpose the Fund offers a choice of Sub-Funds as described in the Appendices, which allow investors to make their own strategic allocation.

##### 4.2 Investment Objectives and Policies of the Sub-Funds

The board of directors of the Management Company has determined the investment objective and policies of each Sub-Fund as described in the Appendix. There can be no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and policies of any Sub-Fund must be in compliance with the rules and restrictions set forth under sections “Investment Restrictions” and “Special Investment and Hedging Techniques and Instruments” below.

The Fund may hold cash, in each Sub-Fund, on an ancillary basis.

For hedging purposes, the Fund may, in each Sub-Fund, employ techniques and instruments relating to Transferable Securities and Money Market Instruments. The Fund may also employ techniques and instruments relating to Transferable Securities, Money Market Instruments and other financial liquid assets for efficient portfolio management. All revenues arising from such techniques are fully returned to the Fund, net of direct and indirect operational costs resulting from it.

Pursuant to CSSF Circular 14/592, the Fund is able to recall any securities and cash amounts lent or that are subject to a repurchase/reverse repurchase agreement, or to terminate any securities lending agreement or repurchase/reverse repurchase agreement into it has entered.

See “Risk Considerations” for a discussion of certain factors in connection with an investment in the relevant Sub-Funds.



## 5. *RISK MANAGEMENT PROCESS*

The Management Company has established and will use a risk-management process that enables it to monitor and measure at any time the risk of the Sub-Funds' portfolio positions and their contribution to the overall risk profile of the portfolio. If applicable, it will employ a process allowing for accurate and independent assessment of the value of OTC derivative instruments.

Where applicable, the Management Company shall ensure that the Sub-Funds' global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Unless otherwise indicated in a Sub-Fund's Appendix, the Fund employs the Commitment Approach as the global exposure determination methodology.

## 6. *RISK CONSIDERATIONS*

### 6.1 General

Despite the possibility for the Fund to use option, futures and swap contracts and to enter into forward foreign exchange transactions with the aim to hedge exchange rate risks, all Sub-Funds are subject to market or currency fluctuations, and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

### 6.2 Exchange Rates

The currency in which the Classes of Units of each Sub-Fund is denominated is not necessarily the Reference Currency of the relevant Sub-Fund or the investment currency of the Sub-Fund concerned. Investments are made in those currencies that best benefit the performance of the Sub-Funds in the view of the Investment Manager.

Changes in foreign currency exchange rates may affect the value of Units held in the Sub-Funds.

Unitholders investing in a Sub-Fund other than in the currency in which the relevant Class of Units is denominated should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

### 6.3 Interest Rates

The value of fixed income securities held by the Sub-Funds generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly.

### 6.4 Equity Securities

The value of a Sub-Fund that invests in equity securities will be affected by changes in the stock markets and changes in the value of individual portfolio securities. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of smaller companies are more sensitive to these changes than those of larger companies. This risk will affect the value of such Sub-Funds, which will fluctuate as the value of the underlying equity securities fluctuates.

### 6.5 Investments in other UCI and/or UCITS

The value of an investment represented by a UCI in which the Fund invests, may be affected by fluctuations in the currency of the country where such UCI invests, or by foreign exchange rules, the application of the various tax laws of the relevant countries, including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries. Furthermore, it is to be noted that the Net Asset Value per Unit will fluctuate mainly in light of the net asset value of the targeted UCIs.

### 6.6 Duplication of fees

There shall be duplication of management fees and other operating fund related expenses, each time the Fund invests in other UCIs and/or UCITS. The maximum proportion of management fees charges both to the Fund itself and to the UCIs and/or UCITS in which the Fund invests shall be disclosed in the annual report of the Fund.

There will be no subscription and redemption fees on account of the Fund's investment in the units of such other UCIs and/or UCITS when the Fund invests in units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Company is linked by common management or control, or by a substantial direct or indirect holding.

### 6.7 Emerging Markets

"Emerging Markets" is a term that refers to an economy that experiences considerable economic growth and possesses some, but not all, characteristics of a developed economy. Emerging markets are countries that are transitioning from the "developing" phase to the "developed"

phase. The characteristics of the Emerging Markets are high market volatility which stems from political instability, external price movements, and/or supply-demand shocks due to natural calamities. It exposes investors to the risk of fluctuations in exchange rates, as well as market performance. Nevertheless, these markets are often attractive to foreign investors due to the high return on investment they can provide. In the transition from being an agriculture-based economy to a developed economy, countries often require a large influx of capital from foreign sources due to a shortage of domestic capital. Using their competitive advantage, such countries focus on exporting low-cost goods to richer nations, which boosts GDP growth, stock prices, and returns for investors.

Governments of emerging markets tend to implement policies that favor industrialization and rapid economic growth. Such policies lead to lower unemployment, higher disposable income per capita, higher investments, and better infrastructure. As a contrast, developed countries, such as the USA, Germany, and Japan, offer generally low rates of economic growth due to early industrialization.

Potential investors should note that investments in emerging markets carry risks additional to those inherent in other investments. In particular, potential investors should note that investment in any emerging market carries a higher risk than investment in a developed market; emerging markets may afford a lower level of legal protection to investors; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.

## 6.8 Options, Futures and Swaps

Each of the Sub-Funds may use options, futures and swap contracts and enter into forward foreign exchange transactions to the extent allowed in the “Investment Restrictions” and “Special Investment and Hedging Techniques and Instruments” section and in accordance with the investment policy of the Sub-Funds. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets, in swap contracts and in foreign exchange transactions involves investment risks and transaction costs to which the Sub-Funds would not be subject if they did not use these strategies. If the Sub-Funds Investment Manager's predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-Fund may leave the Sub-Fund in a less favourable position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swaps and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the Investment Manager's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at any time; and (e) the possible inability of a Sub-Fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-Fund to sell a portfolio security at a disadvantageous time.

Where a Sub-Fund enters into swap transactions it is exposed to a potential counterparty risk. In case of insolvency or default of the swap counterparty, such event would affect the assets of the Sub-Fund.

Any Fund's assets entering into a total return swap or in similar derivative instruments will comply with the diversification limits set out in articles 43, 44, 45, 46 and 48 of the Law of 2010. The corresponding underlying exposures of such instruments are taken into account to calculate the investment limits laid down in the before mentioned article 43.

Please see Sections "Special Derivative Risk Factors", "Investment Restrictions" and "Special Investment and Hedging Techniques and Instruments" hereafter for more information.

## 6.9 Special Derivative Risk Factors

### (i) Leverage Risk

Due to the low margin deposits normally required in trading derivative instruments, a high degree of leverage is typical for trading in derivatives instruments. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the investor. Investment in derivative transactions may result in losses in excess of the amount invested.

### (ii) Short Selling Risk

Certain Sub-Funds may take short positions on a security through the use of derivatives in the expectation that their value will fall in the open market. The possible loss from taking a short position on a security differs from the loss that could be incurred from a cash investment in the security; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The short selling of investments may

also be subject to changes in regulations, which could impose restrictions that could adversely impact returns to investors.

(iii) Particular Risks of Exchange Traded Derivative Transactions  
Suspensions of Trading

Each securities exchange or commodities contract market typically has the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Sub-Funds, to liquidate positions and, accordingly, expose the Sub-Fund to losses and delays in its ability to redeem Units.

(i) Particular Risks of OTC Derivative Transactions:

a. Absence of regulation; counterparty default

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, any Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. A Sub-Fund 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 letters of credit or collateral from certain counterparties. Regardless of the measures the Sub-Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result. In cases where collateral is used to mitigate counterparty risk exposure and according to CSSF Circular 14/592, non-cash collateral received will not be sold, reinvested or pledged.

b. Liquidity; requirement to perform

From time to time, the counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Investment Manager with the possibility to offset the Sub-Fund's obligations through an equal and

opposite transaction. For this reason, in entering into forward, spot or options contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts

#### 6.10 Use of contingent convertibles instruments

Some of the Sub-Funds may invest in so called contingent convertibles instruments (CoCos). CoCos are debt instruments convertible into equity or subject to temporary or permanent write down if a pre-specified trigger event occurs. Many of the larger financial institutions have lately embraced the use of CoCos as a cost effective way of meeting the level of going-concern capital required by Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (the Credit Requirement Regulation or CRR) in addition to the Common Equity Tier 1 capital (as defined in the CRR; CET1). The CRR allows a financial institution to issue Additional Tier 1 (AT1) securities in non-CET1 capital but in the form of CoCos. To qualify as AT1s the CoCos need to be able to be written down or converted into equity when a certain trigger CET1 is reached or when the relevant regulatory authority deems the issuer being non-viable under the Bank Recovery and Resolution Directive.

Investors should fully understand and consider the risks of CoCos.

CoCos entail a valuation risk. To correctly value the instruments the Company needs to evaluate the probability of activating the trigger, the extent and probability of any losses upon trigger conversion (not only from write-downs of their principal value but also from unfavourably timed conversion to equity) and the likelihood of cancellation of coupons. These risks may be highly challenging to model. Though certain risk factors are transparent, e.g., trigger level, coupon frequency, leverage, credit spread of the issuer, and rating of instrument, if any, other factors are discretionary or difficult to estimate, e.g. individual regulatory requirements relating to the capital buffer, the issuers' future capital position, issuers' behaviour in relation to coupon payments on AT1 CoCos, and any risks of contagion. Importantly, as one descends down the capital structure to subinvestment grade where the majority of CoCos sit, the level of precision in estimating value when compared to more highly rated instruments, deteriorates.

Investors should also take into account that the trigger levels differ and determine exposure to conversion risk depending on the CET1 distance to the trigger level. Furthermore, coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. Contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not. AT1 CoCos are issued as perpetual instruments, callable at

predetermined levels only with the approval of the competent authority. The structure of CoCo instruments is innovative yet untested.

CoCos may entail a liquidity risk, meaning that under certain conditions it may be difficult to sell them. If the relevant market for a specific CoCo is illiquid, it may not be possible to liquidate a position at all or at an acceptable price. This risk generally increases the more likely it gets that the pre-specified trigger event of a given CoCo occurs.

Finally, when CoCos are written down, the NAV of the relevant Sub-Fund may significantly decrease.

#### 6.11 Asset-backed securities

A Sub-Fund may invest in securities that represent an interest in a pool of assets such as mortgages (“mortgagebacked securities”) and, subject to applicable law, credit card receivables or other types of loans (“asset-backed securities”).

Asset-backed securities are created by the grouping of certain governmental, government-related and private loans, receivables and other lender assets into pools. Interests in these pools are sold as individual securities. Payments from the asset pools may be divided into several different tranches of debt securities, with some tranches entitled to receive regular instalments of principal and interest, other tranches entitled to receive regular instalments of interest, with principal payable at maturity or upon specified call dates, and other tranches only entitled to receive payments of principal and accrued interest at maturity or upon specified call dates. Different tranches of securities will bear different interest rates which may be fixed or floating.

Payments of principal and interest on the underlying loans are passed through to the holders of such securities over the life of the securities. Most asset-backed securities (including mortgage-backed securities) are subject to early prepayment of principal, which can be expected to accelerate during periods of declining interest rates. Such prepayments can usually be reinvested only at the lower yields then prevailing in the market. Therefore, during periods of declining interest rates, these securities are less likely than other fixed income obligations to appreciate in value and less effective at locking in a particular yield. On the other hand, asset-backed securities (including mortgage-backed securities) are subject to substantially the same risk of depreciation during periods of rising interest rates as other fixed income securities.

The credit characteristics of asset-backed securities also differ in a number of respects from those of traditional debt securities. The credit

quality of most asset-backed securities depends primarily upon the credit quality of the assets underlying such securities, how well the entity issuing the securities is insulated from the credit risk of the originator or any other affiliated entities, and the amount and quality of any credit enhancement to such securities.

Asset-backed securities present certain credit risks that are not presented by mortgage-backed securities because asset-backed securities generally do not have the benefit of a security interest over the collateral that is comparable to mortgage assets. There is the possibility that, in some cases, recoveries on repossessed collateral may not be available to support payments on these securities.

#### 6.12 Mortgage-backed securities

Mortgage-backed securities are a type of asset-backed security.

In addition to risks covered in “Asset-backed securities”, a Sub-Fund’s investment strategies may involve trading in mortgage-backed securities on a forward pass through or “to be allocated” (“TBA”) basis. In a TBA trade, the seller and buyer agree to the type of security, coupon, face value, price and settlement date (typically at least a month forward) at the time of the trade but do not specify the actual pools of securities to be traded until just before settlement date. In the period between trade and settlement date, the Sub-Fund will be exposed to counterparty credit risk and will maintain an amount of cash or near cash assets equal to the amount of TBA purchase commitments. Conversely, in the event of a sale of TBA securities, equivalent deliverable securities or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date) will be held as cover for the transaction.

#### 6.13 High yield risk

Securities rated lower than Baa by Moody’s or lower than BBB by Standard & Poor’s are sometimes referred to as “high yield” or “junk” bonds. Investing in high yield securities involve special risks in addition to the risks associated with investments in higher-rated Fixed Income Securities. While offering a greater potential opportunity for capital appreciation and higher yields, high yield securities typically entail greater potential price volatility and may be less liquid than higher-rated securities. High yield securities may be regarded as predominately speculative with respect to the issuer’s continuing ability to meet principal and interest payments. They may also be more susceptible to real or perceived adverse economic and competitive industry conditions than



higher-rated securities. Issuers of securities in default may fail to resume principal or interest payments, in which case the Sub-Fund may lose its entire investment.

#### 6.14 Credit ratings

The Investment Adviser may, but is not required to, use credit ratings to evaluate securities. Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated securities. They 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. Investments in lower quality and comparable unrated obligations will be more dependent on the Investment Adviser's credit analysis than would be the case with investments in Investment Grade debt obligations. Generally, a credit rating agency will not, as a matter of policy, assign a rating to a corporate issuer of debt which is higher than the rating assigned to the country in which the corporation is domiciled. Thus, ratings for emerging market corporate issuers are generally capped by the sovereign ratings.

#### 6.15 Risks of investing in Non-Investment Grade fixed-income securities

Non-Investment Grade fixed-income securities are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching Investment Grade standing. Non-Investment Grade fixed-income securities and unrated securities of comparable credit quality are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These securities, also referred to as high yield securities, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the junk bond markets generally and less secondary market liquidity.

Non-Investment Grade fixed-income securities are often issued in connection with a corporate reorganisation or restructuring or as part of a merger, acquisition, takeover or similar event. They are also issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of Non-Investment Grade fixed-income securities tends to reflect individual corporate developments to a greater extent than that of higher rated securities which react primarily to fluctuations in the general level of interest rates. As a result, where a Sub-Fund invests in such securities its ability to achieve its investment objective may depend to a greater extent on the Investment Adviser's judgement concerning the creditworthiness of issuers than in the case of investment in higher-rated securities. Issuers of Non-Investment Grade fixed-income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of higher-rated securities by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts. Negative publicity about the junk bond market and investor perceptions regarding lower rated securities, whether or not based on fundamental analysis, may depress the prices for such securities.

A holder's risk of loss from default is significantly greater for Non-Investment Grade fixed-income securities than is the case for holders of other debt securities because such Non-Investment Grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investment by a Sub-Fund in defaulted securities poses additional risk of loss should non-payment of principal and interest continue in respect of such securities. Even if such securities are held to maturity, recovery by a Sub-Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for Non-Investment Grade fixed-income securities is concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield fixed income securities is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and a Sub-Fund's ability to dispose of particular Sub-Fund investments. A less liquid secondary market also may make it more difficult for a Sub-Fund to obtain precise valuations of the high yield securities in its Sub-Fund.

Credit ratings do not evaluate the market value risk of Non-Investment Grade securities and, therefore, may not fully reflect the true risks of an investment. See "—Credit Ratings". The Investment Manager employs its own credit research and analysis, which includes a study of existing debt, capital structure, ability to service debt and to pay dividends, the issuer's

sensitivity to economic conditions, its operating history and the current trend of earnings. The Investment Manager continually monitors the investments in a Sub-Fund and evaluates whether to dispose of or to retain Non-Investment Grade and comparable un-rated securities whose credit ratings or credit quality may have changed.

As a result of a Sub-Fund's investment in Non-Investment Grade investments and as a consequence of credit problems with such investment and the possibility that such Sub-Fund may participate in restructuring activities, it is possible that this Sub-Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaim against the Sub-Fund and ultimately judgments may be rendered against this Sub-Fund for which the Sub-Fund may not carry insurance.

#### 6.16 Risks due to operational processes

Risks due to operational processes, called "Operational Risks", are defined as the risk of losses due to inadequate internal processes, failures in relation to people and systems of the management company or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the UCITS. Management of Operational Risks aims to reduce or eliminate the impact of these types of risk on the successful operation of the business. Operational risks are primarily managed at business levels by having implemented defined processes and related internal controls.

Operational risks arise in the three functions for which the ManCo is responsible, as the Investment Management, the Administration, and the Marketing (Distribution), and are generally classified in four categories, as processes, people, (IT) systems (internal events) and external events (as e.g. fraud, outsourcing failures, pandemic, flood, fire etc).

## 7. *MANAGEMENT OF THE FUND*

### 7.1 General information

ADEPA Asset Management S.A. is the Management Company of the Fund. The Management Company will manage the assets of the Fund in compliance with the Management Regulations in its own name, but for the sole benefit of the Unitholders of the Fund.

The Management Company is organised as a public limited liability company ("*société anonyme*") under the laws of the Grand Duchy of

Luxembourg. It was established on 9 March 2006 for an unlimited period of time. The articles of incorporation of the Management Company were published in the *Mémorial* of 23 March 2006 and deposited with the *Registre de Commerce et des Sociétés, Luxembourg* on 15 March 2006, where they may be inspected and copies may be obtained.

The Management Company has its registered office in Munsbach.

In compliance with the provisions of Chapter 15 of the Law of 2010 and the CSSF Circular 18/698, the effective conduct of the business of the Management Company has been granted to delegates of the board of directors of the Management Company as mentioned in the Prospectus.

## 7.2 Functions

In compliance with the provisions of Chapter 15 of the Law of 2010, the Management Company provides the following services:

- Determination of the investment policy of each Sub-Fund within the objectives and the restrictions set forth in the Management Regulations;
- Investment management (including investment advice; conclusion of agreements; purchase, sale, exchange or delivery of all kind of transferable securities and/or other acceptable types of assets; exercise of all voting rights pertaining to securities of UCITS and UCIs under management);
- Administrative services such as legal and fund management and accounting services, customer inquiries, valuation of the portfolio and pricing of the units (including tax returns), regulatory compliance monitoring, maintenance of the register of unit holders, distribution of income, and issuing and redemption of units, contract settlements (including certificate dispatch), record keeping of transactions; and
- Marketing and distribution in Luxembourg and/or abroad of units or shares of UCITS and/or UCI.

The Management Company may delegate to third parties, for the purpose of a more efficient conduct of their business, the power to carry out on its behalf one or more of its functions in compliance with the Management Regulations and the provisions of Chapter 15 of the Law of 2010.

In compliance with the new provisions of UCITS V Directive, the Law of 2016, art.20, 21, art. 33) and the CSSF Circulars 10/437, 18/698 and CSSF Circular 16/644, the Management Company establishes, implements and maintains a remuneration policy compatible with an

efficient management of risks, that encourages such management, and which does not encourage excessive risk-taking.

Such remuneration policy is aligned with the strategy of the Management Company, its objectives, its values and its long term interests, such as sustainable growth prospects, and complies with principles governing client and investor protection when providing services.

The Management Company updates the structure of the remuneration policy regularly to ensure that it remains suitable in light of any developments in the Management Company and satisfy the duty of supervision. Such remuneration policy is in line with business strategy, objectives values and interests of the Management Company and the UCITS that it manages and of the unitholders of this UCITS, and includes measures to avoid conflicts of interest.

Where remuneration includes a variable element or a bonus, awarded based on performance criteria, the remuneration policy is structured in such a way as to achieve a fair balance between the fixed and variable elements. This balance of the various elements of remuneration can vary according to the employee concerned, market conditions and the specific environment in which the Management Company operates. A maximum limit has been set by the Management Company for the variable element.

The fixed element of remuneration represents a sufficiently large proportion of total remuneration and allows the Management Company to operate a completely flexible bonus policy. In particular, the Management Company may retain all or part of a bonus where the performance criteria have not been fully met by the employee. The Management Company may retain bonuses where the economic situation deteriorates, especially where this may impact the longevity of the Management Company.

Fixed and variable components of total remuneration are appropriately balanced.

Where a significant bonus is awarded (more than two hundred and fifty thousand Euros), the payment of the main portion of the bonus is delayed for a minimum period. The amount of the payment that is delayed is based on the total amount of the bonus compared to total remuneration. The portion of the bonus that is delayed takes into account the risks associated with rewarding performance. The measure of the future performances compensated by the portion of the bonus that is delayed, is adjusted for risk.

Where remuneration varies with performance levels, the total remuneration is calculated by combining the evaluation of the relevant

staff's performance, the relevant operational department including risks and the results of the Management Company as a whole.

The assessment of performance is set in a multiyear framework.

The aim of the remuneration policy is to align the employees' personal objectives with the long term goals of the Management Company. In evaluating the components of performance-related remuneration, the Management Company considers the long term performance and takes into account the risks associated with that performance.

Performance measurement, where it's used as a basis for the calculation of bonuses, is adjusted according to current and future risks associated with the underlying performance, and takes into account the cost of capital used and the liquidity required.

In assessing individual performance, the Management Company takes into account other criteria, such as compliance with internal rules and procedures, compliance with the Management Company's control systems and mechanisms, as well as compliance with standards governing client and investor relations.

The Management Company Managers Board is responsible for the implementation of the remuneration policy, defining the procedures which are then submitted to the Board of Directors of the Management Company for approval. The Board of Directors establishes the general principles governing the Management Company's remuneration policy and supervises its implementation.

The implementation of the remuneration policy is subject to an internal, centralised and independent analysis done by control functions (primarily by the Compliance Officer, risk management, internal controls as well as Human Resources Department), at least annually, in order to verify the compliance with the other policies and procedures established by the Board of Directors. The results of this analysis is reported to the Board of Directors.

The Board of Directors of ADEPA ASSET MANAGEMENT S.A. sets the remuneration levels for all the members of the Management Company. In establishing this policy, the Board of Directors takes into account all elements pertaining to the Management Company's strategy, the risk-taking strategy, and the nature, scale and complexity of the Company's activities.

Pursuant the introduction of UCITS V Directive paragraph 13, amending article 69 paragraph 1 of UCITS IV Directive, and the Law of 2016, art. 33 (b), the latest remuneration policy, including the description of how the remuneration and benefits are calculated, the identity of persons

responsible for awarding the remuneration and benefits is available by means of a website (<http://www.adepa.com/remuneration-policy/>) and a paper copy will be made available at registered office of Adepa Asset Management S.A., free of charge upon request at any time.

Investors should note that, in accordance with the requirements of Regulation (EU) 2016/1011 of the European Parliament and Council of 6 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"), where any of the Sub-Funds sets forth on its Appendix that a benchmark will be used, the Management Company, in consultation with the relevant Investment Manager, will adopt a benchmark contingency plan to set out the actions which the Management Company would take in the event that a benchmark used by a Sub-Fund materially changes or ceases to be provided (the "**Benchmark Contingency Plan**"), as required by article 28(2) of the Benchmarks Regulation. The Benchmark Contingency Plan is available to all investors free of charge upon request to the Management Company.

#### 8. *INVESTMENT MANAGER*

The Management Company has appointed A&G Fondos, SGIIC, S.A. to act as investment manager and make, subject to the overall control and ultimate responsibility of the Management Company, discretionary investments with respect to the investment and reinvestment of the assets of each Sub-Fund.

The Investment Manager makes the investment decisions for each Sub-Fund and places purchase and sale orders for the Sub-Fund's transactions. As permitted by applicable laws, these orders may be directed to brokers, including the Investment Manager's affiliates. The Investment Manager draws upon the research and expertise of its asset management affiliates for portfolio decisions and management with respect to certain Fund securities.

Subject to its overall responsibility, control, and supervision, the Investment Manager may, at its own charge and with the prior approval of the Management Company, delegate the management of other investment strategies relating to the Fund or any Sub-Fund to a Investment Manager.

The Investment Manager will receive a percentage per annum out of the net assets of each Sub-Fund as established in each Appendix below ("Investment Management Fee").

#### 9. *INVESTMENT ADVISOR*

Subject to the overall control and ultimate responsibility of the Management Company, the Management Company or the Investment Manager, subject to the prior consent of the Management Company, may appoint an investment advisor to provide day-to-day advice regarding the Sub-Funds' transactions.

The investment advisor will be paid by the Management Company out of the management fees as agreed between themselves.

If any, the investment advisor will receive a percentage per annum of the net assets of the Sub-Fund paid out of the Investment Management Fee ("Investment Advisory Fee").

#### 10. *DEPOSITARY, PAYING AGENT, REGISTRAR AND TRANSFER AGENT*

QUINTET PRIVATE BANK (EUROPE) S.A. has been appointed as Depositary of the assets of the Fund.

QUINTET PRIVATE BANK (EUROPE) S.A. is a credit institution which was incorporated on 23 May 1949 as a public limited liability company (*société anonyme*) under Luxembourg law, having its registered office at 43, Boulevard Royal, L-2955 Luxembourg and being registered with the RCS under number B 6395. On 31 December 2016, the capital and reserves of QUINTET PRIVATE BANK (EUROPE) S.A. amounted to EUR 1,330,318,462.10.

Pursuant to a depositary agreement dated 10 April 2017 the Depositary Agreement), QUINTET PRIVATE BANK (EUROPE) S.A. will carry out its functions and responsibilities in accordance with the provisions of the Law of 17 December 2010.

The Depositary will further, in accordance with the Law of 17 December 2010:

- a) ensure that the sale, issue, repurchase, redemption and cancellation of units of the Fund are carried out in accordance with the applicable Luxembourg law and the Articles;
- b) ensure that the value of the units of the Fund is calculated in accordance with the applicable Luxembourg law and the Articles;
- c) carry out the instructions of the Management Company or the Fund, unless they conflict with the applicable Luxembourg law, or with the Articles;
- d) ensure that in transactions involving the assets of the Fund, any consideration is remitted to the Fund within the usual time limits;



- e) ensure that the income of the Fund is applied in accordance with the applicable Luxembourg law and the Articles.

The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of units of the Fund have been received, and that all cash of the Fund has been booked in cash accounts that are:

- a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;
- b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC ; and
- c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

- a) for financial instruments that may be held in custody, the Depositary shall:
  - (i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
  - (ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;
- b) for other assets, the Depositary shall:
  - (i) verify the ownership by the Fund of such assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund and, where available, on external evidence;
  - (ii) maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may be reused only under certain circumstances, as provided for in the Law of 17 December 2010.

In order to effectively conduct its duties, the Depositary may delegate to third parties the functions referred to in the above paragraphs, provided that the conditions set out in the Law of 17 December 2010 are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the Law of 17 December 2010 and with the relevant CSSF regulations, to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on [https://www.quintet.com/Group\\_Luxembourg/media/documents/Regulatory%20Affairs/subcustodians2019.pdf](https://www.quintet.com/Group_Luxembourg/media/documents/Regulatory%20Affairs/subcustodians2019.pdf) and is made available to investors free of charge upon request.

### ***Conflicts of interests:***

In carrying out its duties and obligations as depositary of the Fund, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the investors of the Fund.

As a multi-service bank, the Depositary may provide the Fund, directly or indirectly, through parties related or unrelated to the Depositary, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund.

In order to identify different types of conflict of interest and the main sources of potential conflicts of interests, the Depositary shall take into account, at the very least, situations in which the Depositary, one of its employees or an individual associated with it is involved and any entity and employee over which it has direct or indirect control.

The Depositary is responsible to take all reasonable steps to avoid those conflicts of interest, or if not possible, to mitigate them. Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement with the Fund and act accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Fund, the Depositary will notify the conflicts of interests and/or its source the Fund of which shall take appropriate action. Furthermore the Depositary shall

maintain and operate effective organizational and administrative arrangements with a view to take all reasonable steps designed to properly (i) avoid them prejudicing the interests of its clients, (ii) manage and resolve such conflicts according to the Fund decision and (iii) monitor them.

As the financial landscape and the organizational scheme of the Fund may evolve over time, the nature and scope of possible conflicts of interests as well as the circumstances under which conflicts of interests may arise at the level of the Depositary may also evolve.

In case the organizational scheme of the Fund or the scope of Depositary's services to the Fund is subject to a material change, such change will be submitted to the Depositary's internal acceptance committee for assessment and approval. The Depositary's internal acceptance committee will assess, among others, the impact of such change on the nature and scope of possible conflicts of interests with the Depositary's duties and obligations to the Fund and assess appropriate mitigation actions.

Situations which could cause a conflict of interest have been identified as at the date of this Prospectus as follows (in case new conflicts of interests are identified, the below list will be updated accordingly):

- Conflicts of interests between the Depositary and the Sub-Custodian.
  - The selection and monitoring process of sub-custodians is handled in accordance with the Law of 17 December 2010 and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that none of the sub-custodians used by the Depositary for the custody of the Fund's financial instruments is part of the Quintet Group.
- The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Company for over-the-counter derivative transactions (maybe over services within Quintet).
- The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.

The Depositary shall be liable to the Fund and its investors for the loss by the Depositary or a third party to whom the custody of financial

instruments held in custody in accordance with the Law of 17 December 2010. The depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

For other assets, the Depositary shall be liable only in case of negligence, intentional failure to properly fulfil its obligations.

The Depositary shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

The rights and duties of the Depositary are governed by the Depositary Agreement entered into for an unlimited period of time from the date of its signature. The Management Company and the Depositary may terminate the Depositary Agreement on ninety (90) calendar days' prior written notice; provided, inter alia, that a new depositary assumes the responsibilities and functions of the Depositary and that the prior approval of the home regulator of the Fund has been obtained, being understood that such appointment shall happen within two months. The Depositary shall, if terminated by the Management Company, however continue thereafter for such period as may be necessary for the complete delivery or transfer of all assets held by it.

The rights and duties of QUINTET PRIVATE BANK (EUROPE) S.A. as Paying Agent are governed by the Paying Agency Agreement entered into for an unlimited period of time from the date of its signature. As principal paying agent QUINTET PRIVATE BANK (EUROPE) S.A. will be responsible for distributing income and dividends, if applicable, to the Shareholders.

The Management Company acts as Registrar and Transfer Agent for the Fund and will be responsible for handling the processing of subscriptions for Units of the Fund, dealing with requests for redemption and conversion of Units of the Fund and accepting transfers of funds, safekeeping the register of Unitholders and providing and supervising the mailing of statements, reports, notices and other documents to the Unitholders.

## 11. *DISTRIBUTORS*

The Management Company may appoint any entity as Distributor (the "Distributor") for the distribution of Units in all countries in which the offering and selling of such Units is permitted without prejudice to the

right for the Management Company to control the overall distribution in certain countries.

The Distributors may appoint sub-distributors (each a “Sub-distributor”) from time to time. The duties of the Distributors and Sub-distributors, if applicable, shall be limited to passing the application for subscription, redemption and conversion orders to the Fund’s Registrar and transfer agent in Luxembourg. The Distributors and Sub-distributors, if applicable, may not offset the orders received or carry out any duties connected to the individual processing of the subscription, redemption and conversion orders.

Investors should be aware that subscriptions for [Units](#) and requests for redemptions or conversions may either be made through the Distributors or directly through the Fund.

12. *MANAGEMENT REGULATIONS*

By acquiring Units in the Fund, every Unitholder approves and fully accepts that the Management Regulations shall govern the relationship between the Unitholders, the Management Company and the Depositary.

Subject to the approval of the Depositary, the Management Regulations may be amended by the Management Company at any time, in whole or in part. Amendments will become effective as per the date of their signature by the Management Company and the Depositary.

While managing the assets of the Fund, the Management Company, or its appointed agents, shall, as provided in the Management Regulations, comply with the restrictions mentioned in the following section.

13. *CO-MANAGEMENT OF ASSETS*

The Management Company may choose to co-manage the assets of certain Sub-Funds of the Fund on a pooled basis. In these cases, assets of the Sub-Funds participating in the co-management process will be managed according to a common investment objective and shall be referred to as a “pool”. These pools are used for internal management efficiency purposes or to reduce management costs.

The pools do not constitute separate legal entities and are not directly accessible to investors. Cash, or other assets, may be allocated from one or more Sub-Funds into one or more of the pools established by the Management Company. Further allocations may be made, from time to time, thereafter. Transfers from the pool(s) back to the Sub-Funds may only be made up to the amount of that Sub-Fund’s participation in the pool(s).

The proportion of any Sub-Fund’s participation in a particular pool shall be measured by reference to its initial allocation of cash and/or other assets to such a pool and, on an ongoing basis, according to adjustments made for further allocations or withdrawals.

The entitlement of each Sub-Fund participating in the pool, to the co-managed assets applies proportionally to each and every single asset of such pool.

Where the Management Company, on behalf of the Fund, incurs a liability relating to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool. Assets or liabilities of the Fund, with respect to each

Sub-Fund, which cannot be attributed to a particular pool, are allocated to the Sub-Fund they belong or relate to.

Upon dissolution of the pool, the pool's assets and/or liabilities will be allocated to the Sub-Fund(s) in proportion to its/their participation in the pool.

Dividends, interest, and other distributions of an income of any nature earned in respect of the assets of a particular pool will be immediately credited to the Sub-Funds in proportion to its respective participation in the pool at the time such income is recorded.

Expenses directly attributable to a particular pool will be recorded as a charge to that pool and, where applicable, will be allocated to the Sub-Funds in proportion to their respective participation in the pool at the time such expense is incurred. Expenses, that are not attributable to a particular pool, will be charged to the relevant Sub-Fund(s).

In the books and accounts of the Fund the assets and liabilities of a Sub-Fund, whether participating or not in a pool, will, at all times, be identified or identifiable as an asset or liability of the Sub-Fund concerned including, as the case may be, between two accounting periods a proportionate entitlement of a Sub-Fund to a given asset. Accordingly such assets can, at any time, be segregated. On the Depositary's records for the Sub-Fund such assets and liabilities shall also be identified as a given Sub-Fund's assets and liabilities and, accordingly, segregated on the Depositary's books.

#### 14. *INVESTMENT RESTRICTIONS*

The board of directors of the Management Company shall, based upon the principle of risk spreading, have power to determine the investment policy for the investments for each Sub-Fund of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund as described in the Appendix below, the investment policy shall comply with the rules and restrictions laid down hereafter:

##### **1) The Fund may invest in:**

- a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;

- b) Transferable Securities and Money Market Instruments dealt in on another regulated market in a Member State of the European Union which operates regularly and is recognised and open to the public;
- c) Transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the management regulations or the instruments of incorporation of the UCITS
- d) Recently issued Transferable Securities and Money Market Instruments provided that:
  - The terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under a), b) and c) above; and
  - Such admission is secured within one year of the issue;
- e) Shares or units of UCITS authorized according to the UCITS Directive and/or other UCI within the meaning of the first and second indent of Article 1(2) of the UCITS Directive, should they be situated in a Member State of the European Union or not, provided that:
  - Such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - The level of guaranteed protection for share- or unit-holders in such other UCIs is equivalent to that provided for share- or unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - The business of the other UCI is reported in at least half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;



- No more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or other UCIs;
  - The Sub-Funds may not invest in units of other UCITS or other UCIs for more than 10% of their assets, unless otherwise provided in respect of a particular Sub-Fund in the relevant Appendix. This restriction shall not apply with effect as from 29 September 2017.
- 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 of the European Union or, if the registered office of the credit institution is situated in a country included in the Zone A, as defined under definition 24 of Part I of the CSSF Circular letter 2000/10, as amended (or by any regulation replacing this provision);
- g) Financial derivatives, including options, futures and options on futures, equivalent cash settled instruments, dealt in on a regulated market referred to under a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:
- The underlying consist of instruments covered by this Section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest in accordance with its investment objectives;
  - The counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - 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 market value at the Fund’s initiative;
- h) Money market instruments other than those dealt in on Regulated Markets or other regulated markets referred to in a), b) and c) and other than Money Market Instruments, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

- Issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- Issued by an undertaking any securities of which are dealt in on Regulated Markets or other regulated markets referred to under a), b) or 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 CSSF 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 CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent of this Section 1 h), and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000) and (ii) which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, (iii) 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 (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**2) Moreover, in each Sub-Fund the Fund may:**

- a) Invest up to 10% of the net assets of each of the Sub-Funds in transferable securities and money market instruments other than those referred to under Section 1) a) through h) above, except into those referred in Section 1) e).
- b) Hold, on an ancillary basis, cash and other cash-equivalent instruments.
- c) Borrow the equivalent of up to 10% of its net assets provided that the borrowing is on a temporary basis. Commitments in

connection with options and the purchase and sale of futures are not taken into consideration when calculating the investment limit.

- d) Acquire foreign currencies by means of back-to-back loans.

**3) In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:**

**(a) Rules for risk spreading**

For the calculation of the limits defined in points (1) to (5) and (7) below, companies belonging to the same Group of Companies shall be treated as a single issuer.

Insofar as an issuer is a legal entity with several Sub-Funds where the assets of a given Sub-Fund are exclusively subject to the rights of investors in such Sub-Fund and of creditors with a claim arising from the creation, operation or liquidation of said Sub-Fund, each Sub-Fund must be considered a separate issuer for the application of the risk division rules.

- **Transferable Securities and Money Market Instruments**

- (1) A Sub-Fund may not buy additional Transferable Securities and Money Market Instruments from one and the same issuer if, after their purchase:
  - (i) more than 10% of its net assets are Transferable Securities or Money Market Instruments issued by said entity;
  - (ii) the total value of the Transferable Securities and Money Market Instruments from issuers in each of which it invests more than 5% of its net assets exceeds 40% of its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to transactions with such institutions involving OTC derivatives.
- (2) The 10% limit laid down in paragraph (1) is raised to 20% in the case of Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State

or by public international bodies to which one or more Member States are members.

- (4) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities issued by a credit institution whose registered office is in a Member State of the European Union and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the Sub-Fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-Fund's net assets.
- (5) The values mentioned in (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) (ii) above.
- (6) Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, each Sub-Fund is authorised to invest up to 100% of its assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the European Union, its local authorities, the OECD Members States Singapore, Brazil, Russia, Indonesia and South-Africa, or public international bodies of which one or more Member States of the European Union are members, provided that (i) these securities consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Sub-Fund's net assets.
- (7) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the Sub-Fund's investment policy is aimed at duplicating the composition of a certain stock or debt securities index, which is recognised by the CSSF and meets the following criteria:
- The index's composition is sufficiently diversified;
  - The index represents an adequate benchmark for the market to which it refers;

- The index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional 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 one single issuer.

- **Bank deposits**

- (8) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same entity.

- **Derivatives**

- (9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in f) in Section 1 above, or 5% of its net assets in the other cases.
- (10) The Sub-Fund may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (5), (8), (9), (16) and (17). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits laid down in (1) to (5), (8), (9), (16) and (17).
- (11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of article 42 of the Law of 2010 to determine the risks arising on transactions in derivative instruments.
- (12) With regard to derivative instruments, each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

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

Except if otherwise provided in the relevant Appendix with respect to a particular Sub-Fund, derivative instruments will only be used for hedging purposes.

- **Shares or units in open-ended funds**

- (13) Each Sub-Fund may not invest more than 20% of its net assets in shares or units of a single UCITS or other UCI referred to in 1) e) above.
- (14) Furthermore, investments made in UCIs other than UCITS, may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.
- (15) To the extent that a UCITS or UCI is composed of several Sub-Funds and provided that the principle of segregation of commitments of the different Sub-Funds is ensured in relation to third parties, each Sub-Fund shall be considered as a separate entity for the application of the limit laid down in (13) hereabove.

When the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of other UCITS and/or other UCI.

If the Sub-Fund shall decide to invest a substantial proportion of its assets in other UCITS and/or UCIs the maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it intends to invest will be disclosed in this Prospectus under the specific information regarding the concerned Sub-Fund.

- **Combined limits**

- (16) Notwithstanding the individual limits laid down in (1), (8) and (9), the Sub-Funds may not combine:

- Investments in Transferable Securities or Money Market Instruments issued by;
- Deposits made with; and/or
- Exposures arising from OTC derivatives transactions undertaken with;

a single body in excess of 20% of its net assets.

- (17) The limits set out in (1) to (5), (8) and (9) cannot be combined. Thus, investments by each Sub-Fund in Transferable

Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with (1) to (5), (8) and (9) may not exceed a total of 35% of the net assets of the Sub-Fund.

(b) **Restrictions with regard to control**

(18) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(19) The Fund may acquire no more than:

- (i) 10% of the outstanding non-voting shares of the same issuer,
- (ii) 10% of the outstanding debt securities of the same issuer,
- (iii) 25% of the outstanding shares or units of the same UCITS and/or other UCI,
- (iv) 10% of the outstanding Money Market Instruments of the same issuer.

The limits set in points (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

(20) The limits laid down in (18) and (19) are waived as regards:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the European Union or its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State of the European Union;
- Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States of the European Union are members;
- Shares held in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in 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 the relevant Sub-Fund can invest in the securities of

issuing bodies of that State and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;

- Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of the shares at the Unitholders request exclusively on its or their behalf.

**4) Furthermore, the following restrictions will have to be complied with:**

- (i) No Sub-Fund may acquire either precious metals or certificates representing them.
- (ii) No Sub-Fund may acquire real estate, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (iii) No Sub-Fund may issue warrants or other instruments giving holders the right to purchase Units in such Sub-Fund.
- (iv) Without prejudice to the possibility of a Sub-Fund to acquire debt securities and to hold bank deposits, a Sub-Fund may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Sub-Fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid-up.
- (v) A Sub-Fund may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

**5) Notwithstanding the above provisions:**

- (i) Each of the Sub-Funds needs not necessarily to comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of such Sub-Fund's portfolio concerned. Each Sub-Fund has 6 months from its date of authorization to achieve compliance with paragraph 3 (a).
- (ii) If the limits referred to above are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as a priority objective for its



sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.

- (iii) The Fund has access to employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolios of the Sub-Funds. The Fund employs a process allowing for accurate and independent assessment of the value of the OTC derivative instruments.
- (iv) Information relating to the quantitative limits that apply in the risk management of the Fund, to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to investors upon request.

## 15. *SPECIAL INVESTMENT AND HEDGING TECHNIQUES AND INSTRUMENTS*

### 15.1 General

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

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in section "Investment Restrictions".

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

Furthermore, the Fund may, for efficient portfolio management purposes, exclusively resort to securities lending and borrowing, provided that the following rules be complied with.

As at the date of the current Prospectus, the Fund and each of its Sub-Funds do not intend to enter in any kind of Securities Financing Transactions ("SFT") or Sale and Repurchase Agreements "Repos or Reverse Repos". In case the Fund or any of its Sub-Funds may enter into SFT or Repos or Reverse Repos, the Prospectus will be updated accordingly and the investors will be duly informed.

### 15.2 Securities lending transactions (pursuant CSSF Circular 08/356 and the Regulation EU 2015/2365.

The Fund may engage in securities lending provided that these transactions comply with the following rules:

- (1) The Fund is authorised to lend securities within a standardised system organised by a recognised securities clearing institution or a first rate financial institution specialised in this type of transaction.
- (2) When engaging in securities lending, and except when this is done through a recognised securities clearing institution, the Fund must receive security of a value that, at the time of entering into the agreement, must be at least equal to the aggregate value of the securities lent.

This collateral must be given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD or by the central, regional or local government agencies of these States, or by supranational institutions and organisations with EU, regional or worldwide scope, and must be blocked in favour of the Fund until expiry of the lending agreement.

Such collateral is not required when securities lending is arranged through the intermediary of Clearstream, Euroclear or any other institution whereby the lender is assured of receiving the value of the securities lent in application of a guarantee or otherwise.

- (3) Lending transactions may not extend beyond a period of 30 days, nor may they exceed 50% of the aggregate market value of the securities in the portfolio of the Sub-Fund concerned. This restriction is not applicable if the Fund has the right to terminate the agreement at any time and obtain restitution of the securities lent.

In addition, pursuant article 15 of the Regulation EU 2015/2365, any right of counterparties to reuse financial instruments received as collateral shall be subject to at least both of the following conditions:

- (a) the providing counterparty has been duly informed in writing by the receiving counterparty of the risks and consequences that may arise;
- (b) the providing counterparty has granted its prior express consent, as evidenced by a signature, of the providing counterparty to a security collateral arrangement, or has expressly agreed to provide collateral by way of a title transfer collateral arrangement.

In compliance with the provisions of article 15 (2) of the Regulation EU 2015/2365, with regards to financial instruments received under a collateral

arrangement, these are transferred from the account of the providing counterparty.

By way of derogation from point (b) of the article 15 (1) where a counterparty to a collateral arrangement is established in a third country and the account of the counterparty providing the collateral is maintained in and subject to the law of a third country, the reuse shall be evidenced either by a transfer from the account of the providing counterparty or by other appropriate means.

### 15.3 Repurchase agreements (pursuant CSSF Circular 08/356)

On an ancillary basis and for the purpose of improving performances, the Fund may enter into repurchase agreements consisting of the purchase and sale of securities in which the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the time of entering into the agreement.

The Fund may enter into repurchase agreements either as purchaser or as seller. However, when entering into such agreements, the Fund shall comply with the following rules:

- (1) The Fund may purchase or sell securities in connection with a repurchase agreement only if the counterparty is a highly rated financial institution specialised in this type of transaction.
- (2) For the duration of a repurchase agreement, the Fund may not sell the securities that are the subject of the agreement either before the counterparty has exercised its right to repurchase the securities or before the repurchase period has expired.
- (3) When the Fund has obligations to make repurchases, it must ensure that the level of repurchase agreements is such that it can meet these obligations at any given time.

## 16. *EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENT*

The Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and other financial liquid assets for efficient portfolio management. All revenues arising from such techniques are fully returned to the Fund, net of direct and indirect operational costs resulting from it.

According to CSSF Circular 14/592, the policy regarding any direct or indirect operational cost/fee arising from the use of efficient portfolio management techniques will be indicated in the Prospectus if applicable. Therefore, the corresponding costs for operations of repurchase/reverse repurchase agreements are up to a maximum of 10% of interest rates in each case and the costs for operations of securities lending agreements are up to a 10% of the amount paid as fee from the value of the loaned securities. The identity of the entity to which the fees are paid will be always disclosed in the Annual Report of the Fund, as well as its relation with the Management Company or the Depositary, if applicable.

When calculating the risk limits stated in article 52 of the UCITS Directive for a specific Sub-Fund, such calculation will always be combined with the risk exposures to a counterparty arising from efficient portfolio management techniques and OTC financial derivative transactions.

Following Circular 14/592 and if applicable in each Sub-Fund, the management of collateral, for OTC financial derivatives transactions as well as in cases of efficient portfolio management, will comply with the following conditions:

- Liquidity: any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation (conditions under article 56 of the UCITS IV Directive are also applicable).
- Valuation: any collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- Issuer credit quality: any collateral received should be of high quality (list stated further below in the collateral management section).
- Correlation: the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- Collateral diversification: in the use of collaterals, the Sub-Fund will ensure that each collateral should be sufficiently diversified in terms of country, markets and issuers. Sufficient diversification is to be considered as receiving from a counterparty a basket of collateral with a maximum exposure to a given issuer

of 20% of its net asset value, and in cases of exposure of different counterparties, the different baskets of collaterals should be aggregated to calculate the 20% limit of exposure to a single issuer. However the Sub-Fund 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 Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund' net asset value. Where a Sub-Fund intends to be fully collateralised in securities issued or guaranteed by a Member State, such event should be disclosed in the current Prospectus. Each Sub-Fund should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which it is able to accept as collateral for more than 20% of its net asset value.

- Risks linked to the management of collateral will be covered by the risk management process of the Management Company.

As the Fund is managed by Adepa Asset Management, S.A., it adheres to an effective policy to manage conflicts of interest created, implemented and maintained by Adepa Asset Management, S.A. This policy identifies, in relation to the collective portfolio management, the situations which cause, or could cause, a conflict of interest that represents a significant risk affecting the interests of all UCITS/UCIs managed by Adepa Asset Management, S.A.

In order to identify different types of conflict of interest, the Management Company shall take into account, at the very least, situations in which the Management Company, one of its employees or an individual associated with it is involved and over which it has direct or indirect control. Such conflicts of interest may come in different forms. The different types of situations (non-exhaustive list) which could cause a conflict of interest are as follows:

- ✓ The possibility to achieve a financial gain or avoid a financial loss for the Management Company (including its managers and/or employees) at the expense of an undertaking for collective investment or unitholders/investors.
- ✓ The Management Company controls the same activities for a UCITS and for other clients who are not UCITS.
- ✓ The Management Company receives a benefit with regard to portfolio collective management activities supplied to the UCITS
- ✓ The interests of the Management Company (including its managers, employees and tied agents) in providing a service to an undertaking for collective investment or unitholders/investors, not coinciding with the interests of the UCI/ unitholders/investors.

- ✓ The possibility that the Management Company would favour the interests of one UCI or group of UCIs over another, or the interests of one unitholder/investor or group of unitholders/investors over another, for financial or other reasons.
- ✓ The possibility that the Management Company would obtain a benefit from a third party in relation to the services provided, other than the commission or fees normally charged for this service.
- ✓ The introduction of units/shares of UCIs managed by the Management Company into other UCIs also managed by the Management Company.
- ✓ The nomination of Directors, members of management, or staff of the Management Company as members of the Board of Directors of UCIs.
- ✓ The introduction into UCIs managed by the Management Company of securities / funds related to the directors or managers of UCIs managed by the Management Company. The nomination of board members of UCIs managed by the Management Company, to positions on the Boards of other UCIs also managed by the Management Company.
- ✓ Receipt of commissions from UCIs underlying those managed by the Management Company.

For this reason, the Management Company appropriately anticipates and manages conflicts of interest that could result from the different services offered by the Management Company to avoid them prejudicing the interests of its clients even those that might result from the management of the assets, should this activity be delegated.

#### *Collateral management*

As part of securities lending transactions or when entering into “réméré” transactions or repurchase agreements and reverse repurchase agreements, each Sub-Fund must receive collateral, the value of which must be at least equal to the aggregate of the value of securities lent and of the counterparties’ risk exposure.

The collateral must be blocked in the favour of the Fund and must only be:

- a. placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- b. invested in high-quality government bonds;
- c. 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;
- d. invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

As previously mentioned, in all cases the level of collateral will be equivalent to the aggregate of the value of securities lent.

The collateral blocked will be held by the Depositary of the Fund or, if required, by another regulated entity not linked to the provider of the collateral. Such blocked collateral can always be enforced by the Fund without any conditions.

In cases where collateral is used to mitigate counterparty risk exposure and according to CSSF Circular 14/592, non-cash collateral received will not be sold, reinvested or pledged.

Diversification requirements applicable to non-cash collateral also apply to re-investment of cash collateral (if any). Re-investment of cash collateral is not foreseen for the time being in the Fund. If such re-investment is used in the future, the current Prospectus will reflect all the risks that may arise from that use of cash collateral.

As stated in the Appendices of some Sub-Funds, a Sub-Fund may use repurchase/reverse repurchase agreements according to the “Investments Restrictions” in order to optimize its cash management and may also enter into securities lending agreements on a limited basis in order to increase and enhance overall returns to the Sub-Fund. The Fund has a haircut policy relating to the following classes of assets received as collateral:

- i. Deposits with entities prescribed in Article 50(f) of the UCITS IV Directive; haircut ranging from 0-1%\*;
- ii. High-quality government bonds: haircut ranging from 1-2%\*;
- iii. 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: haircut ranging from 1-7%\*;
- iv. short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds: haircut ranging from 1-10%\*;

\*The ranges from 1 to 10% are to be considered on a case by case basis depending on the characteristics of the collateral (quality, stability in the value, marketability, durability, etc.).

Any received collateral will be valued on a daily basis and assets with high price volatility will not be accepted as collateral unless conservative haircuts are in place.

Any received collateral will be issued by an entity independent from the counterparty and may potentially display a low correlation with the performance of this counterparty.

17. *CROSS INVESTMENTS AND MASTER FEEDER*

- Cross Investments:

A Sub-Fund of the Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-Fund of the same Fund under the condition, however, that:

- The target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- No more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may be invested pursuant to their management regulations or their instruments of incorporation in units of other target Sub-Fund of the Fund; and
- Voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- In any event, for as long as these securities are held by the Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by this Law; and

- Master Feeder:

A Sub-Fund of the Fund may be a feeder Sub-Fund (the feeder UCITS) approved to invest at least 85% of its assets in units of another UCITS or investment Sub-Fund thereof (the "master UCITS") or a master Sub-Fund which has, among its unitholders, at least one feeder UCITS, is not itself a feeder UCITS and does not hold units of a feeder UCITS, subject to and in accordance with Chapter 9 of the Law of 17 December 2010 on undertakings for collective investments, as replaced or amended.

Pursuant to the art.79.3, 4, and 5 of the Law of 2010 if a master UCITS temporarily suspends the repurchase, redemption or subscription of its units, whether at its own initiative or at the request of its competent



authorities, each of its feeder UCITS is entitled to suspend the repurchase, redemption or subscription of its units. Accordingly to the Law of 2010 if a master UCITS is liquidated, the feeder UCITS shall also be liquidated, unless the CSSF approves:

- a) the investment of at least 85 % of the assets of the feeder UCITS in units of another master UCITS; or
- b) the amendment of the management regulations or the instruments of incorporation of the feeder UCITS in order to enable it to convert into a UCITS which is not a feeder UCITS.

Without prejudice to specific provisions regarding compulsory liquidation, the liquidation of a master UCITS shall take place no sooner than three months after the master UCITS has informed all of its unitholders and the CSSF of the binding decision to liquidate.

If a master UCITS merges with another UCITS or is divided into two or more UCITS, the feeder UCITS shall be liquidated, unless the CSSF grants approval to the feeder UCITS to:

- a) continue to be a feeder UCITS of the master UCITS or another UCITS resulting from the merger or division of the master UCITS;
- b) invest at least 85 % of its assets in units of another master UCITS not resulting from the merger or the division; or
- c) amend its management regulations or its instruments of incorporation in order to convert into a UCITS which is not a feeder UCITS; accordingly the investment strategy and policy of the feeder UCITS shall be amended in the Prospectus of the Fund.

No merger or division of a master UCITS shall become effective, unless the master UCITS has provided all of its unitholders and the competent authorities of the home Member State of its feeder UCITS all the information required at least sixty days before the proposed effective date.

## 18. *MONEY LAUNDERING PREVENTION*

Pursuant to the Luxembourg law of 17 July 2008 on the fight against money laundering and terrorist financing which amends Luxembourg law of 12 November 2004 relating to the prevention of money laundering and terrorist financing, and the CSSF circular 13/556 and the CSSF Regulation 12/02, as amended from time to time, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes and terrorist financing purposes. Within this context some important points

have been introduced: a general risk-based approach, specific provisions regarding customer identification which include concepts such as beneficial owner and politically exposed person, detailed description of the customer identification procedure and the use of specific third parties in the customer identification procedure, among others.

This identification procedure must be complied with by the Management Company acting as administrator in the case of direct subscriptions to a Sub-Fund, and in the case of subscriptions received by the Sub-Fund from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money laundering and terrorist financing. It is generally accepted that professionals of the financial sector resident in a country that has ratified the conclusions of the Financial Action Task Force (Groupe d'Action Financière) are deemed to be intermediaries having an identification obligation equivalent to that required under Luxembourg law.

The Management Company (and the Transfer Agent acting on behalf of the Management Company) reserves the right to request any further documentation as is necessary to verify the identity of an investor in conformity with the abovementioned laws and regulations.

## 19. *UNITS*

The Fund may issue Units of any Class within each separate Sub-Fund.

The Units in any Sub-Fund shall be issued without par value. Details regarding the Classes of Units available per Sub-Fund and their features are disclosed in the Appendices below.

The Management Company may decide to create further Classes of Units with different characteristics, and in such cases, this Prospectus will be updated accordingly.

The net proceeds from the subscription are invested in the specific portfolio of assets constituting the relevant Sub-Fund.

The Fund is one single entity; however, the right of investors and creditors regarding a Sub-Fund or raised by the constitution, operation or liquidation of a Sub-Fund are limited to the assets of this Sub-Fund, and the assets of a Sub-Fund will be answerable exclusively for the rights of the Unitholders relating to this Sub-Fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-Fund. In the relations between the Fund's Unitholders, each Sub-Fund is treated as a separate entity. The assets, commitments, charges and expenses that cannot be allocated to one specific Sub-Fund

will be charged to the different Sub-Funds pro rata to their respective net assets, if appropriate due to the amounts considered.

The Management Company shall issue Units in registered form only.

The inscription of the Unitholder's name in the register of Units evidences his or her right of ownership of such registered Units. A confirmation of unitholding will be delivered upon request.

The Management Company may decide to issue fractional Units up to three decimals.

All Units within each Class have equal rights as to repurchase and proceeds in a liquidation.

No general meetings of Unitholder shall be held and no voting rights shall be attached to the Units.

## 20. *SUBSCRIPTION OF UNITS*

Applications for Units may be made on any Business Day. Investors whose applications are received by the registrar and transfer agent, as more fully described for each Sub-Fund in the relevant Appendix below, will be allotted Units at a price corresponding to the Net Asset Value per Unit as of the relevant Valuation Day. Unless otherwise specified in the Appendices below, no subscription fees will be charged on the subscription of Units. The Net Asset Value per Unit of each Class will normally be available one (1) Business Day after the relevant Valuation Day, unless otherwise specified in any Sub-Fund's appendices. Applications for subscription may also be made through the distributors, in such a case investors should note that other subscription procedures or time limits may apply.

Any new subscriber must apply for a minimum amount as more fully described for each Sub-Fund in the relevant Appendix below. However, the Management Company may authorize a new subscriber to apply for units amounting to a sum that is less than the minimum initial investment or the equivalent in the reference currency of the relevant Sub-Fund from time to time.

Confirmation statements will be sent to subscribers by transfer agent not later than five (5) Business Days from the date the NAV is available.

Payment shall be made in the Reference Currency of the Sub-Fund or, if applicable, in the denomination currency of the relevant Class as disclosed in the Appendices below in the form of electronic bank transfer net of all bank charges (except where local banking practices do not allow

electronic bank transfers) to the order of the Depositary on the date the Net Asset Value of the allotted Units is available, unless otherwise specified in any Sub-Fund's appendices. Failing these payment shares will be considered as cancelled.

In the case of suspension of dealings in Units, the subscription will be dealt with on the first Valuation Day following the end of such suspension period.

The Management Company may agree to issue Units as consideration for a contribution in kind of securities to any Unitholder who agrees, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Fund (*"réviseur d'entreprises agréé"*) which shall be available for inspection, and provided that such securities comply with the investment objectives and policies of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant Unitholder.

The Management Company may, at any time at its discretion, temporarily discontinue, cease definitely or limit the issue of Units to persons or corporate bodies residing or established in certain countries or territories. The Management Company may also prohibit certain persons or corporate bodies from acquiring Units if such a measure is necessary for the protection of the Fund or any Sub-Fund, the Management Company or the Unitholder of the Fund or any Sub-Fund.

Furthermore, the Management Company may (i) reject in whole or in part at its discretion any application for Units or (ii) repurchase at any time the Units held by Unitholders who are excluded from purchasing or holding Units, in which case subscription monies paid, or the balance thereof, as appropriate, will normally be returned to the applicant within five (5) Business Days thereafter, provided such subscription monies have been cleared.

The Units have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940. The Units may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to U.S. Persons (as defined in Regulation S under the Securities Act) except to certain qualified U.S. institutions in reliance on certain exemptions from the registration requirements of the Securities Act and with the consent of the Management Company. Neither the Units nor any interest therein may be beneficially owned by any other U.S. Person. The sale and transfer of Units to U.S. Persons is restricted and the Management Company may repurchase Units held by a U.S. Person or refuse to register any transfer

to a U.S. Person as it deems appropriate to assure compliance with the Securities Act.

21. *REDEMPTION OF UNITS*

Unitholders may request redemption of their Units on any Business Day.

Application for redemption must be made in writing to the registrar and transfer agent. Investors whose applications for redemption are received by the registrar and transfer agent as more fully described for each Sub-Fund in the relevant Appendix below will have their Units redeemed at a price corresponding to the Net Asset Value per Unit as of the relevant Valuation Day.

Unless otherwise specified in the Appendices below, no redemption fees will be charged on the redemption of Units. The Net Asset Value per Unit of each Class will normally be available one (1) Business Day after the relevant Valuation Day, unless otherwise specified in any Sub-Fund's appendices.

Application for redemption may also be made through the distributors, in such a case investors should note that other redemption procedures and time limits may apply.

The Management Company shall ensure that an appropriate level of liquidity is maintained in each Sub-Fund so that, under normal circumstances, repurchase of Units of a Sub-Fund may be made by the Valuation Day.

If on any Valuation Day redemption requests relate to more than 10% of the Units in issue in a specific Class or Sub-Fund, the Management Company may decide that part or all of such requests for repurchase will be deferred for such period as the Management Company considers to be in the best interests of the Sub-Fund, but normally not exceeding one Valuation Day. On the next Valuation Day following such period, these repurchase requests will be met in priority to later requests.

The repurchase price may, depending on the Net Asset Value per Unit applicable on the date of repurchase, be higher or lower than the price paid at the time of subscription.

Instructions for the redemption of Units may be made by fax, or by post. Applications for redemption should contain the following information (if applicable): the identity and address of the Unitholder requesting the redemption, the relevant Sub-Fund, the relevant Class, the number of Units or currency amount to be redeemed, the name in which such Units

are registered and full payment details, including name of beneficiary, bank and account number. All necessary documents to fulfil the redemption should be enclosed with such application.

Redemption requests must be accompanied by a document evidencing authority to act on behalf of such Unitholder or power of attorney which is acceptable in form and substance to the Management Company. Redemption requests made in accordance with the foregoing procedure shall be irrevocable, except that a Unitholder may revoke such request in the event that it cannot be honoured for any of the reasons specified in this Prospectus.

Payment of the redemption price will be made by the Depositary or its agents not later than five (5) Business Days counting from and including the date on which the Net Asset Value of the redeemed Units is available, unless otherwise specified in any Sub-Fund's appendices. Payment for such Units will be made in the Reference Currency of the relevant Sub-Fund or, if applicable, in the denomination currency of the relevant Class as disclosed in the Appendices below.

The Management Company may, at the request of a Unitholder, agree to make, in whole or in part, a payment in-kind of securities of the Sub-Fund to that Unitholder in lieu of paying to that Unitholder redemption proceeds in cash. The total or partial in-kind payment of the redemption proceeds may only be made (i) with the consent of the relevant Unitholder which consent may be indicated in the Unitholder's application form or otherwise and (ii) by taking into account the fair and equal treatment of the interests of all Unitholders. In addition, in-kind payments of the redemption proceeds will only be made provided that the Unitholders who receive the in-kind payments are legally entitled to receive and dispose of the redemption proceeds for the redeemed Units of the relevant Sub-Fund. In the event of an in-kind payment, the costs of any transfers of securities to the redeeming Unitholder shall be borne by that Unitholder. To the extent that the Management Company makes in-kind payments in whole or in part, the Management Company will undertake its reasonable efforts, consistent with both applicable law and the terms of the in-kind securities being distributed, to distribute such in-kind securities to each redeeming Unitholder pro rata on the basis of the redeeming Unitholder's Units of the relevant Sub-Fund.

## 22. *CONVERSION OF UNITS*

Unless otherwise specified in the Appendices, Unitholders are entitled to convert all or part of their Units of a particular Class into Units of other Class(es) of Units (as far as available) within the same Sub-Fund or Units

of the same or different Classes of Units (as far as available) of another Sub-Fund.

Unitholders who wish to convert all or part of their Units must submit an application by fax, or by post to the registrar and transfer agent, specifying the Sub-Fund, the Class or Sub-Funds and Classes concerned and the number of Units they wish to convert.

A conversion of Units of a particular Class of one Sub-Fund for Units of another Class in the same Sub-Fund and/or for Units of the same or different Class in another Sub-Fund will be treated as redemption of Units and a simultaneous purchase of Units of the acquired Class and/or Sub-Fund. A converting Unitholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the Unitholder's citizenship, residence or domicile.

Units may be tendered for conversion on any Business Day.

All terms and conditions regarding the redemption of Units shall equally apply to the conversion of Units.

Investors whose applications for conversion are received by the registrar and transfer agent as more fully describe for each Sub-Fund in the relevant Appendix below will have their Units converted on the basis of the respective Net Asset Value of the relevant Units as of the applicable Valuation Day. The Net Asset Value of the relevant Units will normally be available one (1) Business Day after the relevant Valuation Day.

The price at which Units shall be converted will be determined by reference to the respective Net Asset Value of the relevant Units of the relevant Class of Units or Sub-Fund calculated on the relevant Valuation Day, taking into account the actual rate of exchange on the day concerned.

If the Valuation Day of the Class of Units or Sub-Fund taken into account for the conversion does not coincide with the Valuation Day of the Class of Units or Sub-Fund into which they shall be converted, the Unitholders' attention is drawn to the fact that the amount converted will not generate interest during the time separating the two Valuation Days, unless otherwise specified in any Sub-Fund's appendices.

Unless otherwise specified in the Appendices below, no conversion fee will be charged on the conversion of Units.

The rate at which all or part of the Units in a given Sub-Fund (the "Original Sub-Fund") are converted into Units in another Sub-Fund (the "New Sub-Fund"), or all or part of the Units of a particular Class of Units (the "Original Class") are converted into another Class of Units within the same Sub-Fund (the "New Class") is determined in accordance with the following formula:

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

D

where:

- A is the number of Units to be allocated in the New Sub-Fund or New Class;
- B is the number of Units of the Original Sub-Fund or Original Class which is to be converted;
- C is the Net Asset Value per Unit of the Original Class or the relevant Class of Units within the Original Sub-Fund at the relevant Valuation Day;
- D is the Net Asset Value per Unit of the New Class or the relevant Class of Units within the New Sub-Fund at the relevant Valuation Day; and
- E is the actual rate of exchange on the day concerned applied to conversions between Sub-Funds or Classes of Units denominated in different currencies, and is equal to 1 in relation to conversions between Sub-Funds or Classes of Units denominated in the same currency.

After conversion of the Units, the transfer agent will inform the Unitholder of the number of Units of the New Sub-Fund or New Class obtained by conversion and the price thereof.

## 23. *LATE TRADING AND MARKET TIMING*

### 23.1 Late trading

The Fund determines the price of its Units on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Unit at which Units will be bought or sold (exclusive of any sales charges). Subscription, redemptions and conversions applications have to be received and will be accepted for each Sub-Fund only in accordance with the deadlines set out in the Appendices.

### 23.2 Market timing

The Fund is not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Fund's Unitholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Fund as an excessive or short term trading vehicle are not permitted.



While recognising that Unitholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if it deems such activities adversely affect the interests of the Fund's Unitholders, take action as appropriate to deter such activities.

Accordingly, if the Management Company determines or suspects that a Unitholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Unitholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Fund and its Unitholders.

## 24. *DETERMINATION OF THE NET ASSET VALUE OF UNITS*

### Calculation and Publication

The Net Asset Value per Unit of each Class in respect of each Sub-Fund or of each Sub-Fund (the "NAV" or the "Net Asset Value") is calculated in Luxembourg by the Management Company. The Net Asset Value of each Class in respect of each Sub-Fund or of each Sub-Fund shall be determined in the Reference Currency of that Class or Sub-Fund as specified in each Appendix of the Prospectus.

The Net Asset Value is calculated on the day specified for each Sub-Fund in each Appendix of the Prospectus ("Calculation Day") on the basis of the prices available on the relevant Valuation Day, as published by the stock exchanges or Regulated Markets concerned and with reference to the value of assets owned on behalf of the relevant Sub-Fund.

The Net Asset Value per Unit shall be determined by dividing the net assets of the Fund attributable to such Class in that Sub-Fund or to such Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such Class or to such Sub-Fund on any such Valuation Day), as determined in accordance with applicable generally accepted Luxembourg accounting principles, by the total number of Units in the relevant Class in a Sub-Fund or in the relevant Sub-Fund then outstanding.

If, since the time of determination of the Net Asset Value on the relevant Valuation Day, there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Class in respect of a Sub-Fund or to the relevant Sub-Fund are dealt in or quoted, the Management Company may, in order to safeguard the interests of the Unitholders and the Fund, cancel the first valuation and carry out a second valuation. All subscription, redemption and conversion requests shall be treated on the basis of this second valuation.

## Valuation of the Assets

The calculation of the Net Asset Value of Units in any Class, if any, of any Sub-Fund and of the assets and liabilities of any such Class of any Sub-Fund shall be made in the following manner:

The assets of the Fund, in relation to each Sub-Fund, shall be deemed to include:

- (i) All cash on hand or on deposit, including any interest accrued thereon;
- (ii) All bills and notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned by the Fund or contracted for by the Management Company on behalf of the Fund (provided that the Management Company may make adjustments in a manner not inconsistent with paragraph (a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- (iv) All stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) All interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) The preliminary expenses of the Fund, including the cost of issuing and distributing Units of the Fund, insofar as the same have not been written off;
- (vii) The liquidating value of all forward contracts and all call or put options the Fund has an open position in;
- (viii) All other assets of any kind and nature including expenses paid in advance.

- The value of the assets of all Sub-Funds, except some Money Market Sub-Funds, shall be determined as follows:

- (a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends

and interest declared or accrued and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof;

- (b) The value of Transferable Securities, Money Market Instruments and any financial assets and instruments which are listed or dealt on a Regulated Market, a Regulated Market in an Other State or any Other Regulated Market is based on their last available prices;
- (c) In the event that any assets held in a Sub-Fund's portfolio on the relevant day are not listed or dealt in on a Regulated Market, stock exchange or other regulated markets or if, in the opinion of the Management Company, the latest available price does not truly reflect the fair market value of the relevant securities, the value of such securities will be defined by the Management Company based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Management Company;
- (d) The liquidating value of futures, forward or options contracts not dealt in on Regulated Markets, stock exchange or other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on Regulated Markets, stock exchange or other regulated markets shall be based upon the last available settlement prices of these contracts on Regulated Markets, stock exchange or other regulated markets on which the particular futures, forward or options contracts are dealt in by the Management Company on behalf of the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Management Company may deem fair and reasonable;
- (e) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Management Company;

- (f) Units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Management Company on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value;
  - (g) All other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Management Company;
- The value of the assets of some Money Market Sub-Funds shall be determined as follows:
- (a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof.
  - (b) The assets of these Sub-Funds are valued using the amortized cost method. Under this valuation method, such assets are valued at their acquisition cost as adjusted for amortization of premium or accretion of discount. The Management Company ensures that this amortization method will not result in a material discrepancy between the value of the money market instruments and the value calculated according to the amortization method. As a guarantee of the before mentioned:
    - (i) Money market instruments will comply with a residual maturity of less than three months and with no specific sensitivity to market parameters, including credit risk; or
    - (ii) The Sub-Fund will invest solely in high-quality instruments with as a general rule a maturity or residual maturity of at most 397 days or regular yield adjustments in line with the maturities mentioned before and with a weighted average maturity of 60 days. The requirement that the instruments be high-quality instruments should be adequately monitored, taking into account both the credit risk and the final maturity of the instrument.

The Management Company, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Management Company is authorized, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Fund.

If since the time of determination of the net asset value per Unit of any Class in a particular Sub-Fund there has been a material change in the quotations in the markets on which a substantial portion of the investments of such Sub-Fund are dealt in or quoted, the Management Company may, in order to safeguard the interests of the Unitholders and the Fund, cancel the first valuation of the net asset value per Unit and carry out a second valuation. All the subscription, redemption and exchange orders received on such day will be dealt at the second net asset value per Unit.

The liabilities of the Fund shall be deemed to include:

- (i) All loans, bills and accounts payable;
- (ii) All accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (iii) All accrued or payable expenses (including, without limitation, administrative expenses, management company fees, including incentive fees, if any, and Depositary fees);
- (iv) All known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid distributions declared by the Fund;
- (v) An appropriate provision for future taxes based on capital and income as of the Valuation Day, as determined from time to time by the Fund, and other reserves, if any, authorized and approved by the Management Company, as well as such amount, if any, as the Management Company may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund; and
- (vi) All other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Units of the Fund. In determining the amount of such liabilities, the Management Company shall take into account all expenses payable and all costs incurred by the Fund, which shall comprise inter alia the fees and expenses detailed in Section 26 hereafter.

The Net Asset Value per Unit for each Sub-Fund is determined by the Management Company acting as administrator and made available at the registered office of the Management Company one (1) Business Day after

the relevant Valuation Day, unless otherwise specified in any Sub-Fund's appendices.

Each Sub-Fund shall be valued so that all agreements to purchase or sell securities are reflected as of the date of execution, and all dividends receivable and distributions receivable are accrued as of the relevant ex-dividend dates.

## 25. *SUSPENSION OF THE NET ASSET VALUE OF UNITS*

In each Sub-Fund, the Management Company may temporarily suspend the determination of the Net Asset Value of Units and in consequence the issue, repurchase and conversion of Units in any of the following events:

- When one or more Regulated Markets, stock exchanges or other regulated markets, which provide the basis for valuing a substantial portion of the assets of the Fund attributable to such Sub-Fund, or when one or more Regulated Markets, stock exchanges or other regulated markets in the currency in which a substantial portion of the assets of the Fund attributable to such Sub-Fund is denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- When, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Management Company, disposal of the assets of the Fund attributable to such Sub-Fund is not reasonably or normally practicable without being seriously detrimental to the interests of the Unitholders;
- In the case of a breakdown in the normal means of communication used for the valuation of any investment of the Fund attributable to such Sub-Fund or if, for any exceptional circumstances, the value of any asset of the Fund attributable to such Sub-Fund may not be determined as rapidly and accurately as required;
- If, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchases and sales of the Fund's assets attributable to such Sub-Fund cannot be effected at normal rates of exchange.

Any such suspension will be published in the manner described in this Prospectus and notified to those Unitholders having made an application for subscription, redemption or conversion of Units for which the calculation of the NAV has been suspended.

Such suspension as to any Sub-Fund will have no effect on the calculation of the Net Asset Value per Unit, the issue, redemption and conversion of Units of any other Sub-Fund.

Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Unit in the relevant Sub-Fund.

## 26. *FEEES AND EXPENSES*

### 26.1 Fees of the Management Company

The Management Company is entitled to an annual management fee calculated as a percentage of the average net assets of each Sub-Fund payable at the end of each month. Such fee is described in detail for each Sub-Fund in the relevant section in each Appendix and may be applied, or may be waived in whole or in part at discretion of the Management Company.

The Management Company may be entitled to subscription, redemption, distribution and conversion fees. These fees are described in detail for each Sub-Fund in the relevant section in the Appendices below. These fees may be applied, or may be waived in whole or in part at the discretion of the Management Company and may be paid to the Management Company or other intermediaries involved in the distribution of Units of the Sub-Funds.

Furthermore, the Management Company may receive customary fees for the risk management rendered to the Fund.

### 26.2 Fees for the Investment Manager

The Management Company may appoint the investment management functions for each Sub-Fund to one or more Investment Managers listed in the Appendices below.

The Investment Manager is entitled to an annual investment management fee calculated as a percentage of the average net assets of

each Sub-Fund payable at the end of each month. Such fee, which will not exceed 3.00% per annum of the net assets of each Sub-Fund, is described in detail for each Sub-Fund in the relevant section in each Appendix, if applicable and may be applied, or may be waived in whole or in part at discretion of the Investment Manager.

A performance Fee is payable to the Investment Manager and is calculated in respect of each performance period. A performance period is a calendar year starting on 1 January and ending on 31 December of each year. Any underperformance or loss previously incurred during the life of the Sub-Fund should be recovered before a Performance Fee becomes payable. The Performance Fee will be calculated separately per Class of Shares for each Sub-Fund.

The Performance Fee is payable yearly as at the end of a performance period on 31 December of each year. The percentage of the Performance Fee in respect of any Class of Shares and Sub-Fund is indicated below in the Appendices of the Prospectus. The Performance Fee in respect of each Sub-Fund will be paid if the net asset value per Share as at the end of performance period exceeds the “High Watermark”. The High Watermark is the greatest of (i) the highest net asset value per Share at the end of a given year where a Performance Fee has been paid and (ii) the Initial Subscription Price.

An accrual in respect of the Performance Fee will be made on each Valuation Date if the condition referred to in the previous paragraph is met. An example of calculation is provided below.\*

The Performance Fee is calculated on the basis of the Net Asset Value per Share after deducting all expenses, fees (but not the Performance Fee) and adjusting for subscriptions, redemptions and distributions during the relevant performance period so that these will not affect the Performance Fee payable.

If the event that an investor redeems Shares prior to the end of the performance period, any accrued but unpaid Performance Fee relating to those Shares shall be paid to the Investment Manager at the end of the performance period.

If the Investment Management Agreement with the Investment Manager entitled to a performance fee is terminated before the end of any performance period, the Performance Fee in respect of such performance period will be calculated and paid as if the date of termination was the end of the relevant performance period.

\* Example of calculation of performance fee of 9%:

-Beginning of the performance period: 01.01.2019;



- End of the performance period: 31.12.2019;
- NAV per share at 01.01.2019: EUR 100;
- High watermark (HWM) at 01.01.2019: EUR 100 (initial subscription price).

For the purpose of this example, we assume the NAV increases only on 31.01.2019, 28.02.2019 and 31.12.2019 for ease of presentation. The performance fee accrual is reversed and recalculated for each NAV starting from the beginning of the performance period, thus ensuring there is no double accounting. In case the performance of the Sub-Fund for the period is negative, there will be no performance fee accrued. The HWM is the reference for the calculation of the performance. As a Sub-Fund NAV is calculated daily or weekly, the performance accrual, if any, is also calculated daily or weekly, accordingly.

1. Example of first accrual at 31.01.2019:
  - NAV per share at 31.01.2019: EUR 105
  - Performance fee accrual between 01.01.2019 and 31.01.2019: EUR 0.45 per share  $(105 - 100 \times 9\%)$ .
2. Example of second accrual at 28.02.2019:
  - NAV per share at 28.02.2019: EUR 103
  - Performance fee accrual between 01.01.2019 and 28.02.2019: EUR 0.27 per share  $(103 - 100 \times 9\%)$ .
3. End of the performance period at 31.12.2019:
  - NAV per share at 31.12.2019: EUR 110;
  - Performance fee accrual between 01.01.2019 and 31.12.2019: EUR 0.90 per share  $(110 - 100 \times 9\%)$ ;
  - Shares outstanding as of 31.12.2019: 1,000,000
  - Total NAV as of 31.12.2019: EUR 110,000,000
  - Performance fee paid on 31.12.2019:  $1,000,000 \times \text{EUR } 0.90 = \text{EUR } 900,000$

At the end of the year on 31.12.2019, the final performance fee is calculated for the whole year. However, over the year, an accrual needs to be calculated for every NAV on a daily or weekly basis (except where the performance is negative). This ensures that investors pay a fair price when entering or exiting the Sub-Fund within the performance period.

- HWM (highest NAV where performance fee paid): EUR 110 – applicable from 01.01.2020 on.

### 26.3 Duplication of fees

There shall be duplication of management fees and/or investment management fees, each time a Sub-Fund invests in other UCIs and/or UCITS. The maximum proportion of management fees charges both to the Sub-fund itself and to the UCIs and/or UCITS in which the Sub-Fund invests shall be disclosed in the annual report of the Fund and the Prospectus (art.46.3 of the Law of 2010).

There will be no subscription and redemption fees on account of the Sub-Fund's investment in the units of such other UCIs and/or UCITS when the Sub-Fund invests in units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Company is linked by common management or control, or by a substantial direct or indirect holding.

### 26.4 Formation and launching expenses of the Fund

Expenses incurred in connection with the incorporation of the Fund including those incurred in the preparation and publication of the first Prospectus and constitutive documents, as well as the taxes, duties and any other incorporation and publication expenses, are estimated at EUR 50.000 and may be amortized over a maximum period of five years.

### 26.5 Formation and launching expenses of additional Sub-Funds

The costs and expenses incurred in connection with the creation of a new Sub-Fund or a merger with another UCI, (merger fees) shall be written off over a period not exceeding five years against the assets of such Sub-Fund only and in such amounts each year as determined by the Management Company on an equitable basis. The newly created Sub-Fund shall not bear a pro-rata of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Units, which have not already been written off at the time of the creation of the new Sub-Fund.

## 26.6 Fees of the Administrative and Domiciliary Agent

The Management Company representing the Fund is currently acting as Administrative and Domiciliary Agent. The Administrative and Domiciliary Agent is responsible for the central administration of the Fund. In consideration for the administrative agent services and unless otherwise established in each of the Appendices, the Administrative and Domiciliary Agent is entitled to the following fees:

### Administrative Agent fees:

A Variable Fee out of the net Assets under Management (“AuM”) applied per tranches payable monthly:

Assets ranging from Euros 0 to Euros 25Million	0.06% of AuM
Assets above Euros 25Million threshold	0.04% of AuM

plus

A Fixed Fee of Euros 400 per month per Sub-Fund.

### Domiciliary Agent fees (yearly):

Euros 1,250 (no VAT applicable)

The above fees are payable out of the net assets of the relevant Sub-Fund at the end of each month. Administration fees amount will be available in the Fund Annual Accounts. For the avoidance of doubt, these fees are not included in the management fee.

Furthermore, the Administrative and Domiciliary Agent may receive customary fees for the domiciliary and corporate services rendered to the Fund.

Any reasonable disbursements and out-of-pocket expenses properly incurred by the Administrative and Domiciliary Agent in its capacity as administrator will be borne by the relevant Sub-Fund.

The administrative and domiciliary services may be delegated by the Administrative and Domiciliary Agent to a third party with the prior approval of the Management Company.

## 26.7 Fees of the Registrar and Transfer Agent

The Registrar and Transfer Agent fees are not included in the management fee.

Any reasonable disbursements and out-of-pocket expenses properly incurred by the Registrar and Transfer Agent will be borne by the relevant Sub-Fund.

## 26.8 Fees of the Paying Agent

The Paying Agent will be entitled to the following fees:

- (i) for bearer units, 1% of dividend with a minimum of EUR 0.12 per Unit paid; and
- (ii) for registered units, 0.1% of dividend payments with a minimum of EUR 6.20 per payment.

## 26.9 Fees of the Depositary

The fees due to the Depositary may amount to up to 0.065% per year, calculated on the basis of the Net Asset Value determined on the last Valuation Day of each month. Notwithstanding such fees, the Depositary will receive customary banking fees for transactions.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, e-mail, website, cable and postage expenses) incurred by the Depositary, and any custody charges of banks and financial institutions to which custody of assets of a Sub-Fund is entrusted, will be borne by the relevant Sub-Fund.

## 26.10 Transaction fees

Each Sub-Fund will bear all costs and expenses of buying and selling securities and financial instruments including, without limitation, any brokerage fees and commissions, interest, taxes, governmental duties, charges and levies and any other transaction related expenses excluding any costs and expenses relating to custody (collectively “Transaction Fees”) which relate to the relevant Sub-Fund.

Investment Managers may require to pay out of the relevant Sub-Fund’s assets investment research fees to brokers or other investment firms. In such cases, the Investment Manager will ensure compliance with relevant MiFID requirements and will act at all times in the best interest of the Sub-Fund, regularly assessing the quality of the research purchased based on robust quality criteria and its ability to contribute to better investment decisions. Information on the total investment research costs incurred by each Sub-Fund will be provided in the annual accounts of the Fund.

## 26.11 Other operating expenses

The Fund shall pay out of the assets of the relevant Sub-Fund all expenses payable by the Sub-Fund which shall include but not be limited to:

- Fees payable to and reasonable disbursements and out-of-pocket expenses incurred by the Management Company, the Depositary, the paying agent, the registrar and transfer agent, as applicable;
- All taxes which may be due on the assets and the income of the Sub-Fund (in particular, the “*taxe d’abonnement*” and any stamp duties payable);
- Usual banking fees due on transactions involving securities held in the Sub-Fund;
- Legal expenses incurred by the Management Company and the Depositary while acting in the interests of the Unitholders;
- The cost of any liability insurance or fidelity bonds covering any costs, expenses or losses arising out of any liability of, or claim for damage or other relief asserted against the Management Company and/or the Depositary or other agents of the Fund for violation of any law or failure to comply with their respective obligations under these Management Regulations or otherwise with respect to the Fund;
- The costs and expenses of the preparation and printing of written confirmations of Units; the costs and expenses of preparing and/or filing and printing of the Management Regulations and all other documents concerning the Fund, including registration statements and prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Units of the Fund; the costs and expenses of preparing, in such languages as are necessary for the benefit of the Unitholders, including the beneficial holders of the Units, and distributing annual and semi-annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the Net Asset Value; the cost of preparing and distributing public notices to the Unitholders; lawyers' and auditor's fees, where applicable, including amongst other, the service organisation control report related to fund administration activities of the Management Company; and all similar administrative charges, including all advertising expenses and other expenses directly incurred in offering or distributing the Units.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges that are linked to the inception of the Fund (like Notary or Legal fees) may be amortized over a period not exceeding 5 years.

27. *AUDITORS*

The auditor of the Fund is appointed by the Management Company and shall, with respect to the assets of the Fund, carry out the duties provided by the Law of 2010.

28. *DIVIDENDS*

Where specified for specific Categories as disclosed under the Appendices below, the Management Company may declare annual or other interim distributions out from the investment income gains and realized capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution.

Notwithstanding the above, no distribution may be made as a result of which the total net assets of the Fund would fall below the equivalent in the Reference Currency of the Fund of the minimum amount as required by Luxembourg law.

Where a distribution is made and not claimed within five years from its due date, it will lapse and will revert to the relevant Sub-Fund.

29. *DURATION, LIQUIDATION AND AMALGAMATION OF THE FUND OR OF ANY SUB-FUND*

The Fund and each Sub-Fund have been established for an unlimited period of time. However, the Fund or any Class and/or Sub-Fund may be terminated at any time by decision of the Management Company. The Management Company may, in particular decide such dissolution where the value of the net assets of the Fund or of any Class and/or Sub-Fund has decreased to an amount determined by the Management Company to the minimum level for the Fund or for such Sub-Fund to be operated in an economically efficient manner, in case of a significant change of the economic or political situation or as a matter of rationalisation.

The liquidation of the Fund or of a Class and/or Sub-Fund cannot be requested by a Unitholder.

The event leading to dissolution of the Fund must be announced by a notice published in the Mémorial. In addition, the event leading to

dissolution of the Fund must be announced in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the Unitholders in such other manner as may be deemed appropriate by the Management Company.

The Management Company or, as the case may be, the liquidator it has appointed, will realise the assets of the Fund or of the relevant Class(es) and/or Sub-Fund(s) in the best interest of the Unitholders thereof, and upon instructions given by the Management Company, the Depositary will distribute the net proceeds from such liquidation, after deducting all liquidation expenses relating thereto, amongst the Unitholders of the relevant Class(es) and/or Sub-Fund(s) in proportion to the number of Units held by them. The Management Company may distribute the assets of the Fund or of the relevant Class and/or Sub-Fund wholly or partly in kind to any Unitholder who agrees in compliance with the conditions set forth by the Management Company (including, without limitation, delivery of independent valuation report issued by the auditors of the Fund) and the principle of equal treatment of Unitholders.

At the close of liquidation of the Fund, the proceeds thereof corresponding to Units not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed. As far as the liquidation of any Class and/or Sub-Fund is concerned, the proceeds thereof corresponding to Units not surrendered for repayment at the close of liquidation shall be kept at the earliest possible time in safe custody at the *Caisse de Consignation*.

Units may be redeemed, provided that Unitholders are treated equally.

Under the same circumstances as provided in the first paragraph above in relation to the liquidation of Class(es) and/or Sub-Funds, the Management Company may decide to amalgamate a Class and/or Sub-Fund into another Class and/or Sub-Fund. Unitholders will be informed of such decision by a notice sent to the Unitholders at their address indicated in the register of Unitholders or in such manner as may be deemed appropriate by the Management Company and, in addition, the publication will contain information in relation to the new Class and/or Sub-Fund so as to enable the Unitholders to make an informed judgement of the impact of the amalgamation. This information shall be provided at least thirty days before the last date for requesting repurchase or redemption or, as the case may be, conversion without additional charge under Article 73, paragraph (1) of the Law of 2010.

The Management Company may decide to allocate the assets of any Class and/or Sub-Fund to those of another UCI submitted to part I of the Law of 2010 or to another Sub-Fund within such other UCI (such other UCI

or Sub-Fund within such other UCI being the “new Fund”) (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Unitholders) where the value of the net assets of any Class and/or Sub-Fund has decreased to an amount determined by the Management Company to be the minimum level for the Class and/or Sub-Fund to be operated in an economically efficient manner, in case of a significant change of the economic or political situation or as a matter of rationalisation. Such decision will be announced by a notice sent to the Unitholders at their address indicated in the register of Unitholders or in such other manner as may be deemed appropriate by the Management Company (and, in addition, the notice will contain information in relation to the new Fund), one month before the date on which the amalgamation becomes effective in order to enable Unitholders to request redemption of their Units, free of charge, during such period. After such period, Unitholders having not requested the redemption of their Units will be bound by the decision of the Management Company, provided that only the Unitholders having expressly consented thereto may be transferred to a foreign UCI.

### 30. *APPLICABLE LAW AND JURISDICTION*

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg and any dispute arising between the Unitholders, the Management Company and the Depositary will be subject to the jurisdiction of the District Court of Luxembourg.

Notwithstanding the foregoing, the Management Company and the Depositary may subject themselves and the Fund, (i) to the jurisdiction of the courts of the countries in which the Units of the Fund are offered and sold with respect to claims by investors resident in such countries, and (ii) with respect to matters relating to subscription, repurchase and conversion by Unitholders resident in such countries, to the laws of such countries.

The claims of the Unitholders against the Management Company or the Depositary will lapse five years after the date of the event which gave rise to such claims.

### 31. *GOVERNING LANGUAGE*

English shall be the governing language of the Management Regulations.



## 32. TAX STATUS IN LUXEMBOURG

### 32.1 Withholding Tax

Any distribution by the Sub-Funds, redemption or sale of Units can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable Luxembourg law (see, however paragraph 32.5 “EU Savings Directive” below).

### 32.2 Taxes on Income and Capital Gains

A Unitholder who derives income from such Unit, from the Sub-Funds or who realizes a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital gains unless:

- (i) such holder is, or is deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions); or
- (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg to which the Units in the Sub-Funds are attributable.

### 32.3 Net Wealth Tax

Luxembourg net wealth tax will not be levied on Units held by a Unitholder unless:

- (i) such Unitholder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or
- (ii) such Unit is attributable to an enterprise or part thereof which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg to which the Units in the Fund are attributable.

As regards individuals, the Luxembourg law of 23 December 2005 has abrogated the net wealth tax starting with the year 2006.

### 32.4 Inheritance and Gift Tax

Where the Units are transferred for no consideration:

- (i) no Luxembourg inheritance tax is levied on the transfer of the Units upon death of a Unitholder in cases where the deceased Unitholder was not a resident of Luxembourg for inheritance tax purposes;

- (ii) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary.

### 32.5 EU Savings Directive

- (i) General principles

On 3 June 2003, the Council of the European Union adopted Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the “Directive”). The Directive imposes withholding or reporting requirements on the “paying agent” (as defined by the Directive) resident within the European Union (or one of the non-European Union states or territories having agreed to apply similar measures) where that paying agent makes payments of interest (including distributions and redemptions) cross-border to an individual or certain entities resident in another EU Member State (or in a territory that has opted for reciprocity, i.e. has agreed to adopt the same measures). If such a payment is subject to withholding tax, the beneficiary can avoid such withholding tax by submitting a certificate of exemption or an authorisation to exchange information, depending on the options proposed by the paying agent and the country of establishment.

In respect of interest distributed by investment funds, the Directive provides that “interest payment” includes income deriving from interest payments either directly or through a residual entity, distributed by (i) a UCITS; (ii) entities which have opted to be treated as a UCITS; and (iii) undertakings for collective investment established outside the territory of the European Union, or income realised upon the sale, refund or redemption of units of such undertakings and entities.

In accordance with the provisions of the Directive, dividend payments made by a Sub-Fund shall fall within the scope of the Directive if more than 15% of the Sub-Fund’s net assets are invested in debt claims as defined by the Directive. Payments made by a Sub-Fund in the event of the redemption of Units (or any transaction treated as a redemption) shall fall within the scope of the Directive if more than 25% of the Sub-Fund’s net assets are invested in such debt claims. The applicable withholding tax is 35%.

The Directive has been implemented in Luxembourg by a law dated 21 June 2005 (the “Law of 21 June 2005”).

On 20 March 2014 during the European Council for the amendment of the Directive, Luxembourg confirmed that it will endorse the amendment of such Directive and will provide the required information on interest payments to the tax authorities of other EU Member States under the automatic information exchange as of 1st January 2015, which abolishes the withholding tax system. Consequently, as of 1st January 2015, the

automatic information exchange is implemented by Luxembourg. In this sense, the Law dated 12 March 2014 introduced in domestic legislation the article 8 of the Directive 2011/16/EU organising the mandatory and automatic exchange of information. Also with effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino), and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual or a residual entity in a Member State. In addition, Luxembourg has entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) in relation to payments made by a paying agent in Luxembourg to, or collected by such a paying agent for, an individual or a residual entity resident in one of those territories.

(ii) Rules applicable to Sub-Funds

In the context of the Luxembourg funds, the Law qualifies as interest (i) income distributed by the Sub-Funds or (ii) income deriving from the redemption, sale or refund of Units.

The impact of the EU Savings Directive on income from distribution and redemption, sale or refund arising from Units depends on two basic principles: (i) the asset test and (ii) the look-through principle.

The asset test provides that: (i) if a Sub-Fund invests 15% or less of its assets in debt claims, distribution and profits on redemption, sale or refund arising from Units are out of the scope of the withholding tax (*de minimis* rule), (ii) if a Sub-Fund invests more than 15%, up to 40% of its assets in debt claims, distribution fall within the scope of the withholding tax (but not the redemption, sale or refund of Units) and (iii) if a Sub-Fund invests more than 40% of its assets in debts claims, the profits realized upon distribution and redemption, sale or refund fall within the scope of the withholding tax. According to the Law, the asset test can be determined by reference to the investment policy of a given Sub-Fund and, failing which, by reference to the actual composition of its assets.

Following the look-through principle, when a given Sub-Fund falls within the ambit of the EU Savings Directive according to the asset test (see above), the withholding tax should be levied on the portion of the distribution or profit from the redemption, sale or refund deriving from the accumulated interest received by such Sub-Fund. When a paying agent has no information concerning the proportion of the income which

derives from interest payments, the total amount of the income shall be considered as interest payment.

### 33. *FATCA*

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA, once the IGA has been implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the IGA, the Fund may be required to collect information aiming to identify its direct and indirect unitholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its unit of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it. As from the date of signature of the Luxembourg IGA and until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the Fund as complying with and not subject to the FATCA Withholding.

To ensure the Fund's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Fund may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a unitholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such unitholder's FATCA status;
- b. report information concerning a unitholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA; and
- c. deduct applicable US withholding taxes from certain payments made to a unitholder by or on behalf of the Fund in accordance with FATCA and the Luxembourg IGA.

#### 34. *COMMON REPORTING STANDARDS (CRS)*

The Fund acknowledges to be an investment entity (*entité d'investissement*) in the meaning of the section VIII A. 6) of the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation, as amended, and any other law completing, amending or replacing said law of 18 December 2015 ("CRS Law") and therefore to qualify as a reporting financial institution (*institution financière déclarante*) in the meaning of the section VIII A. of the CRS Law. Therefore the Unitholders should be aware that, if the Unitholder is in the scope of the CRS Law and the Grand Ducal Regulation of 15 March 2016 on article 2 (4) of the CRS Law with regard to the common reporting standard and any other regulation or circular completing, amending, or replacing said Grand Ducal Regulation of 15 March 2016 ("CRS Regulation"), the Fund shall comply with the due diligence and/or reporting and/or any other obligations set out in the CRS Law or the CRS Regulation.

For this purpose, (i) the Fund will request the Unitholders to provide the relevant information pursuant to the CRS Law and the CRS Regulation and (ii) the Fund will, to the extent required by the CRS Law and the CRS Regulation, report on the Unitholder being within the scope of the CRS Law and the CRS Regulation.

#### 35. *ACCOUNTING YEAR*

The accounts of the Fund are closed on 31 December each year.

The consolidated accounts of the Fund shall be kept in the Reference Currency of the Fund. The financial statements relating to the separate

Sub-Funds shall also be expressed in the Reference Currency of the relevant Sub-Fund.

The accounts of the Management Company and of the Fund will be audited annually by an auditor appointed from time to time by the Management Company.

The accounting year of the Fund commences on the first of January and terminates on the thirty first of December of the same year. The first accounting year will commence on the date of incorporation of the Fund and will end on 31 December 2017. The first audited annual report will be dated 31 December 2017. The Fund shall publish its first unaudited semi-annual report on 30 June 2018.

The aforementioned documents will be available within four months for the annual reports and two months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund.

#### 36. *UNITHOLDERS' INFORMATION*

Audited annual reports and unaudited semi-annual reports will be made available to the Unitholders at no cost to them at the offices of the Management Company, the Depositary and any paying agent.

Any other financial information to be published concerning the Fund or the Management Company, including the Net Asset Value, the issue, conversion and repurchase price of the Units for each Sub-Fund and any suspension of such valuation, will be made available to the public at the offices of the Management Company, the Depositary and any paying agent.

To the extent required by Luxembourg law or decided by the Management Company, all notices to Unitholders will be sent to Unitholders at their address indicated in the register of Unitholders, sent to the Unitholders via e-mail, published on the website of the Fund, in one or more newspapers and/or in the Mémorial.

#### 37. *DOCUMENTS AVAILABLE FOR INSPECTION*

The following documents will be available for inspection during normal business hours at the registered office of the Management Company:

- 1) Prospectus;

- 2) The Management Regulations;
- 3) The Articles of Incorporation of the Management Company;
- 4) The latest annual and semi-annual reports of the Fund;
- 5) The Depositary and Paying Agent Agreement;
- 6) The Registrar and Transfer Agency Agreement;
- 7) The Investment Management Agreement;
- 8) The Remuneration Policy of Adepa Asset Management S.A.;
- 9) The Conflicts of Interest Policy of Adepa Asset Management S.A.

Copies of the documents under (1), (3), (4), and (9) above may be obtained without cost, upon request, at the same address and/or document (8) on the Management Company's Website (<http://www.adepa.com/remuneration-policy>). .

**SUB-FUNDS**

The Sub-Funds are the following:

- A&G FLOTA – GALERA FUND
- A&G FLOTA – CARABELA FUND
- A&G FLOTA – BALANDRA FUND
- A&G FLOTA – GABARRA FUND
- A&G FLOTA – GALEON FUND
- A&G FLOTA – CORBETA FUND
- A&G FLOTA – FRAGATA FUND
- A&G FLOTA – BERGANTIN FUND
- A&G FLOTA – DRAKKAR FUND
- A&G FLOTA – CATAMARAN FUND
- A&G FLOTA – LEMBUS FUND
- A&G FLOTA – NOMAD DYNAMIC ALLOCATION
- A&G FLOTA – NOMAD FLEXIBLE ALLOCATION



## **A&G FLOTA – GALERA FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily – directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs - in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds. The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 50% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, limit of 50%, of the Sub-Fund total net assets).

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes (“ETN”) or exchange traded commodities (“ETC”) in accordance with 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money

market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 50% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the Commitment method will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

**Risk inherent to high-yield , non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

**Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
<b>Reference Currency</b>	EUR

<b>Valuation Day</b>	Daily. If a day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value will be calculated and published on the following Business Day after the respective Valuation Day. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the calculation day will be the following Business Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 9<sup>th</sup> May 2017 to 22<sup>nd</sup> May 2017.</p> <p>The Net Asset Value will be calculated for the first time on the 25<sup>th</sup> May 2017.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>	12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this

	<p>time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1.20% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR/year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 7%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>	Class A: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITs and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – CARABELA FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily – directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs - in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds). The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 50% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, limit of 50%, of the Sub-Fund total net assets)

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes (“ETN”) or exchange traded commodities (“ETC”) in accordance with 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money

market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 100% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and /or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the Commitment will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

#### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
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<b>Investment Advisor</b>	Albatros Activos XXI EAFI SL, Serrano 43, 6 <sup>a</sup> Planta 19, 28001 Madrid, Spain
<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Once a week, on each Tuesday. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value is calculated and published on the following two (2) Business Days after the respective Valuation Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 9<sup>th</sup> May 2017 to 22<sup>nd</sup> May 2017.</p> <p>The Net Asset Value will be calculated for the first time on the 25<sup>th</sup> May 2017.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>	12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this



	<p>time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1.10% per annum out of the net assets of the Sub-Fund.</p>
<b>Investment Advisory fee</b>	<p>The Investment Advisor is entitled to an advisory fee as follows:</p> <p>Class A: 0.32% out of the investment management fee.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR/year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 8%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>	Class A: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITS and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – BALANDRA FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily – directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs - in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds). The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 50% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, limit of 50%, of the Sub-Fund total net assets).

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes (“ETN”) or exchange traded commodities (“ETC”) in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law. The Sub-Fund may have a maximum net exposure to non-Euro currencies of 50% of its assets, being understood that the previous limit is

considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the Commitment method will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

**Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

**Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Once a week, on each Tuesday. If such day is not a Business Day in Luxembourg or falls

	within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value is calculated and published on the following two (2) Business Days after the respective Valuation Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 9<sup>th</sup> May 2017 to 22<sup>nd</sup> May 2017.</p> <p>The Net Asset Value will be calculated for the first time on the 25<sup>th</sup> May 2017.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>	<p>12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p>

	Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	The Investment Manager is entitled to an Investment Management Fee as the following:  Class A: 1.00% per annum out of the net assets of the Sub-Fund.
<b>Management Company Fee*</b>	The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.  Such fees are accrued on each Valuation Day and payable monthly in arrears.
<b>Performance Fee</b>	Class A: 9%.  The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.
<b>Distribution Fee</b>	Class A: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITs and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – GABARRA FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily– directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested in– directly or indirectly through UCIs/UCITS including ETFs - equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds. The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 75% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, limit of 75%, of the Sub-Fund total net assets).

Direct investment in equity securities may reach in aggregate up to 75% of the Sub-Fund's total net assets.

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes ("ETN") or exchange traded commodities ("ETC") in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money

market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 100% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transaction. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the commitment method will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
<b>Reference Currency</b>	EUR



<b>Valuation Day</b>	Once a week, on each Tuesday. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value is calculated and published on the following two (2) Business Days after the respective Valuation Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.  Class B: reserved for retail and institutional investors denominated in USD.
<b>Categories of Units</b>	Class A: accumulation of income  Class B: accumulation of income.
<b>Initial Subscription Day/Period</b>	Class A: The initial subscription period will be from 9 <sup>th</sup> May 2017 to 22 <sup>nd</sup> May 2017.  The Net Asset Value will be calculated for the first time on the 25 <sup>th</sup> May 2017.  Class B: The initial subscription period will be from 4 <sup>th</sup> September 2017 to 18 <sup>th</sup> September 2017.  The Net Asset Value will be calculated for the first time on the 21 <sup>st</sup> of September 2017.  If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.
<b>Initial Price</b>	Class A: EUR 10.0000  Class B: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None

	Class B: None.
<b>Minimum Subsequent Investment</b>	Class A: None. Class B: None
<b>Subscription, redemption and conversion deadline</b>	12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.  Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.  Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	The Investment Manager is entitled to an Investment Management Fee as the following:  Class A: 0.90% per annum out of the net assets of the Sub-Fund  Class B: 0.75% per annum out of the net assets of the Sub-Fund.
<b>Management Company Fee*</b>	The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.  Such fees are accrued on each Valuation Day and payable monthly in arrears.
<b>Performance Fee</b>	Class A: None  Class B: None

<b>Distribution Fee</b>	Class A: None  Class B: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITS and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – GALEON FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily – directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs - in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds. The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 40% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, limit of 40%, of the Sub-Fund total net assets).

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes (“ETN”) or exchange traded commodities (“ETC”) in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money

market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 50% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and / or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the Commitment method will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

#### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
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<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Once a week, on each Tuesday. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value is calculated and published on the following three (3) Business Days after the respective Valuation Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 9<sup>th</sup> May 2017 to 22<sup>nd</sup> May 2017.</p> <p>The Net Asset Value will be calculated for the first time on the 26<sup>th</sup> May 2017.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>	12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.

	<p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1.20% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 7%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>	Class A: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITS and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – CORBETA FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily– directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested– directly or indirectly through UCIs/UCITS including ETFs - in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds. The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 40% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, limit of 40%, of the Sub-Fund total net assets).

. Direct investment in equity securities may reach in aggregate up to 100% of the Sub-Fund's total net assets.

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes ("ETN") or exchange traded commodities ("ETC") in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money



market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 100% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and /or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, calculated using the Commitment method will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

#### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
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<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Daily. If a day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value will be calculated and published on the following Business Day after the respective Valuation Day. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the calculation day will be the following Business Day..
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 9<sup>th</sup> May 2017 to 22<sup>nd</sup> May 2017.</p> <p>The Net Asset Value will be calculated for the first time on the 26<sup>th</sup> May 2017.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.

<b>Subscription, redemption and conversion deadline</b>	<p>12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1.10% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 8%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>	Class A: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being

understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITs and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – FRAGATA FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily– directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs - in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds. The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 40% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, limit of 40%, of the Sub-Fund total net assets).

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes (“ETN”) or exchange traded commodities (“ETC”) in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money

market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 50% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and /or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the commitment will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

#### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
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<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Once a week, on each Tuesday. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value is calculated and published on the following three (3) Business Days after the respective Valuation Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 9<sup>th</sup> May 2017 to 22<sup>nd</sup> May 2017.</p> <p>The Net Asset Value will be calculated for the first time on the 26<sup>th</sup> May 2017.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>	12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.

	<p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1.00% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 9%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>	Class A: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITS and/or UCIs shall be for the benefit of the Sub-Fund.



## **A&G FLOTA – BERGANTIN FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily – directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs - in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds. The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 40% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, limit of 40%, of the Sub-Fund total net assets).

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes (“ETN”) or exchange traded commodities (“ETC”) in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money

market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 100% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transaction. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum exposure level to derivatives, as calculated using the Commitment method will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

#### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
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<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Once a week, on each Tuesday. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value is calculated and published on the following three (3) Business Days after the respective Valuation Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 9<sup>th</sup> May 2017 to 22<sup>nd</sup> May 2017.</p> <p>The Net Asset Value will be calculated for the first time on the 26<sup>th</sup> May 2017.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>	12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.

	<p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 0.90% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 10%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>	Class A: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITs and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – DRAKKAR FUND**

### **Investment objective and policy**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily – directly or indirectly through UCIs/UCITS including ETFs -in equity and fixed income mainly issued in OECD countries.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs – in equities and in bonds including but not limited to convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds. The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 75% of the Sub-Fund total net assets.
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets.
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets.

(in aggregate maximum exposure to high yield bond, non-rated bonds and CoCo bonds, will be limited to 75% of the Sub-Fund total net assets).

Direct investment in equity securities may reach in aggregate up to 60% of the Sub-Fund's total net assets.

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes ("ETN") or exchange traded commodities ("ETC") in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary

liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 100% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and/ or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the Commitment method will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

#### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with
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	registered office at P° Castellana, 92, 28046 Madrid (Spain).
<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Daily. If a day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value will be calculated and published on the following Business Day after the respective Valuation Day. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the calculation day will be the following Business Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 9<sup>th</sup> May 2017 to 22<sup>nd</sup> May 2017.</p> <p>The Net Asset Value will be calculated for the first time on the 26<sup>th</sup> May 2017.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000
<b>Minimum Initial Investment</b>	Class A: None.

<b>Minimum Investment</b>	<b>Subsequent</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>		<p>12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>		None
<b>Redemption Commission</b>		None
<b>Conversion Commission</b>		None
<b>Investment Management Fee</b>		<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 0.75% per annum out of the net assets of the Sub-Fund. [this amendment shall enter into effect on 11 February 2019]</p>
<b>Management Company Fee*</b>		<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>		<p>Class A: 5%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>		Class A: None.
<b>Formation/Merger Fee</b>		Any formation expenses/merger fees may amount up to EUR 50.000



\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITS and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – CATAMARAN FUND**

### **Investment objective and policy**

This Sub-Fund is actively managed. The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily – directly or indirectly through UCIs/UCITS including ETFs - in equity and fixed income mainly issued in OECD countries. The Sub-Fund will have the following direct investment in Emerging Markets as follows:

- Maximum direct investments in Emerging Markets equity will be up to 10% of the Sub Fund Total Net Assets;
- Maximum direct investments in Emerging Markets fixed income securities will be up to 10% of the Sub Fund Total Net Assets;
- Maximum combined direct investments in Emerging Markets securities will be up to 20% of the Sub Fund Total Net Assets.

Exposure to EM via funds will be limited to 30%.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs - in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds). The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 30% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 5% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 15% of the Sub-Fund total net assets (in aggregate maximum exposure of bonds including high yield bond, non-rated bonds and CoCo bonds, limit of 30%, of the Sub-Fund total net assets)

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes (“ETN”) or exchange traded commodities (“ETC”) in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 25% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the Commitment method, will be capped at 100% of the Sub-Fund net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments

represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Once a week, on each Tuesday. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value is calculated and published on the following two (2) Business Days after the respective Valuation Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in EUR.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 2 July 2020 until 21 July 2020.</p> <p>The Net Asset Value will be calculated for the first time on as of 21 July 2020.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	Class A: EUR 10.0000

<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>	<p>12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1.40% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 10%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>	Class A: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITS and/or UCIs shall be for the benefit of the Sub-Fund.

## **A&G FLOTA – LEMBUS FUND**

### **Investment objective and policy**

This Sub-Fund is actively managed. The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to accomplish this objective through investing primarily in – directly or indirectly through UCIs/UCITS including ETFs - equity and fixed income mainly issued in OECD countries. The Sub-Fund will have the following direct investment in Emerging Markets as follows:

- Maximum direct investments in Emerging Markets equity will be up to 7.5% of the Sub Fund Total Net Assets;
- Maximum direct investments in Emerging Markets fixed income securities will be up to 25% of the Sub Fund Total Net Assets;
- Maximum combined direct investments in Emerging Markets securities will be up to 25% of the Sub Fund Total Net Assets;

Exposure to Emerging Markets via funds will be limited to 25%.

The Sub-Fund is managed following a geographical as well as sectorial diversification, based on combination of global and value-based selection approach with a multi-asset allocation strategy, unrelated to benchmark constraints.

The Sub-Fund is invested – directly or indirectly through UCIs/UCITS including ETFs – in equities and in bonds including but not limited to: convertible bonds, fixed-rate or floating securities, zero-coupon bonds and treasury bonds). The Sub-Fund is invested also in:

- High yield bond with maximum exposure of: 65% of the Sub-Fund total net assets,
- Non-rated bonds with maximum exposure of: 10% of the Sub-Fund total net assets
- CoCo bonds with maximum exposure of: 20% of the Sub-Fund total net assets (in aggregate maximum exposure of high yield bond, non-rated bonds and CoCo bonds, is limited to 75%, of the Sub-Fund total net assets)

Direct investment in equity securities may reach in aggregate up to 70% of the Sub-Fund's total net assets.

The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes ("ETN") or exchange traded commodities ("ETC") in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

The Sub-Fund may have a maximum net exposure to non-USD currencies of 25% of its assets, being understood that the previous limit is considering the currency exposure hedged through derivative financial instruments.

In order to achieve the targeted exposure and in compliance with the Grand Ducal Regulation, the Sub-Fund may use, for hedging and investment purposes, financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided that these are contracted with first class financial institutions specialized in the respective type of transactions. In particular, the Sub-Fund may at all time use derivatives on any eligible underlying, such as equity or bond indices, transferable securities, interest rates and currencies.

At all times, the maximum net exposure level to derivatives, as calculated using the Commitment method, will be capped at 100% of the Sub-Fund's net assets.

According to the Investment Policy above the Sub-Fund will employ the commitment approach methodology.

In the event of exceptionally unfavorable market conditions and highly serious circumstances, for a temporarily period of time, ancillary liquid assets can be increased in the best interest of the investors.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

Recommendation: this Sub-Fund may not be appropriate for investors who plan to withdraw their money within a three year period.

#### **Risk inherent to high-yield, non-rated and CoCo bonds**

As this Sub-Fund may invest in high yield bonds, non-rated bonds and CoCo bonds the attention is drawn to the investors that such kind of investments



represents a higher risk from the issuer being mainly the risk of default. Please refer to section 6 Risk Considerations within the main body of the prospectus.

### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus. The first performance period for the Sub-Fund begins on the last day of the initial offer period and ends on 31st December 2020.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
<b>Reference Currency</b>	USD
<b>Valuation Day</b>	Once a week, on each Tuesday. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value is calculated and published on the following two (2) Business Days after the respective Valuation Day.
<b>Classes of Units</b>	Class A: reserved for retail and institutional investors denominated in USD.
<b>Categories of Units</b>	Class A: accumulation of income.
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 2 July 2020 to 21 July 2020.</p> <p>The Net Asset Value will be calculated for the first time on as of 21 July 2020.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>

<b>Initial Price</b>	Class A: USD 10
<b>Minimum Initial Investment</b>	Class A: None.
<b>Minimum Subsequent Investment</b>	Class A: None.
<b>Subscription, redemption and conversion deadline</b>	<p>12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1.30% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 5%.</p> <p>The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.</p>
<b>Distribution Fee</b>	Class A: None.

<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000
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\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

## **A&G FLOTA – NOMAD FLEXIBLE ALLOCATION**

### **Investment Objective**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to achieve sustained returns over time, applying an investment philosophy based on the fundamental analysis.

The Sub-Fund is actively managed without reference to any benchmark meaning that the Investment Manager has full discretion over the composition of the Sub-Fund's portfolio, subject to the stated investment objectives and policy.

The Sub-Fund will be invested up to 100% in Fixed Income (including but not limited to: fixed-rate or floating securities, zero-coupon bonds and sovereign/government bonds). High yield bonds (incl. non-rated bonds) will be limited to maximum exposure of 30% of the sub-fund total net assets. However the exposure to high-yield bonds rated CCC+/Caa1 (distressed) and below will be limited to 5% of the Sub-Funds total net assets. The maximum exposure of high yield bond and non-rated bonds is limited to 30% of the sub-fund total net assets and the maximum exposure of CoCo bonds is limited to 10% of the sub-fund total net assets.

Additionally, the Sub-Fund may invest up to 50% of its net assets in listed equities and securities of any sector or market capitalization.

Geographical focus will be OECD countries. The Sub-fund may invest in any sector and in any market, including emerging markets up to 20% of the net assets. The maximum exposure to China is limited to 5%, the fund will not have domestic exposure to China. Investments in China will be achieved through ADRs, GDRs or Hong Kong listed companies

The Sub-Fund may achieve also its investment objective indirectly, by investing through less than 10% in UCIs/UCITS, including EU Exchange Traded Funds (EU ETFs) and money market instruments on an ancillary basis. The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes ("ETN") or ("ETC") in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

The sub-fund does not invest in any credit derivatives as e.g. TRSs, ABSs and CLOs.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 100% of its net assets whereas the currencies of Emerging Market countries is limited to maximum 10% of its net assets.

In addition, derivative instruments traded over the counter (OTC) may be used for hedging purpose (for instance, currency forward may be used in order to hedge the exposure to eventual foreign currencies to which the Sub-Fund underlying may be denominated) efficient portfolio management and for investment purpose. Such instruments can be used provided they are contracted with first class financial institutions specialized in this type of transactions and at all times in compliance with the Grand Ducal Regulation.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

According to the Investment Policy above and the non-extensive use of derivative instruments, the Sub-Fund employs the Commitment Approach as the global exposure determination methodology.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Risk Management Process**

The Management Company will employ a risk-management process, which will enable it to monitor and measure at any time the risk of the positions of the Sub-Funds and their contribution to the overall risk profile of the Sub-Funds.

The sub-fund is an open fund which is subject to market risk (price volatility, IR, FX), credit risk (default risk of debt securities), counterparty risk (counterparty default risk), liquidity risk (redemption, market liquidity) and operational risk (e.g. litigation, pandemic, political). Please see also chapter 6.2 for FX Risks, chapter 6.3 for Interest Rate Risks, chapter 6.13-15 for Credit/Default Risks, chapter 6.8-9 for Counterparty Risk, chapter 6.16 for operational risks and chapter 15 for Hedging.

The aforementioned investment objectives correspond for the investors with a high investment risk profile.

The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

### **Investor Profile**

The aforementioned investment strategy corresponds for the investors with a medium investment risk profile.

### **Sustainability Risks**

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager makes all investment management decisions for the Sub-Fund taking into account the legal and contractual investment restrictions considering the Sustainability Risks, which are also taken into account by the Investment Manager. Sustainability Risks are identified, monitored and managed by the Investment Manager.

The following applies to the consideration of Sustainability Risks in investment decisions: The Investment Manager also considers sustainability risks in its investment decisions besides the common financial data. This consideration applies to the entire investment process and the activity of the Investment Manager, both for the fundamental analysis of investments and for the investment decisions.

Sustainability risks are considered in the investment process of the Investment Manager through macroeconomic, asset-class, and manager analysis. The top-down (asset allocation) investment process considers sustainability risks associated with economic views and the bottom-up (manager selection) component considers the Investment Manager's approach to sustainability risk in their security selection process.

#### **Risk inherent to certain asset classes**

Listed equities, securities and ETFs are mainly subject to daily market price volatilities risks (market risk), and additionally OTC financial derivatives are subject to counterparty default risk (counterparty risk).

Additionally, listed debt securities are beside market risks (IR and FX risks) are subject to credit risk (default risk).

Please see also chapter 6.2 for FX Risks, chapter 6.3 for Interest Rate Risks, chapter 6.13-15 for Credit/Default Risks, chapter 6.8-9 for Counterparty Risk, and chapter 15 for Hedging.

#### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Daily. If a day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value will be calculated and published on the following Business Day after the respective Valuation Day. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the calculation day will be the following Business Day.

<b>Classes of Shares</b>	<p>Class A: reserved for retail and institutional investors denominated in EUR.</p> <p>Class B: reserved for retail investors denominated in EUR.</p> <p>Class C: Clean class. Reserved for eligible counterparty clients, as defined by MiFID, investing for their own account, other collective investment schemes, distributors, platforms and other forms of intermediary who operate a fee based arrangement with their customers to provide independent advisory or discretionary portfolio management services, that excludes receiving any rebated fees from the Management Company.</p>
<b>Categories of Units</b>	<p>Class A: accumulation of income.</p> <p>Class B: accumulation of income.</p> <p>Class C: accumulation of income.</p>
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 3 October 2022 to 10 October 2022.</p> <p>The Net Asset Value will be calculated for the first time on the 12 October 2022.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	<p>Class A: EUR 10</p> <p>Class B: EUR 10</p> <p>Class C: EUR 10</p>
<b>Minimum Initial Investment</b>	<p>Class A: None</p> <p>Class B: EUR 1,000,000 until 31 December 2022; EUR 3,000,000 afterwards.</p> <p>Class C: None</p>

<b>Minimum Subsequent Investment</b>	<p>Class A: None</p> <p>Class B: EUR 500,000.</p> <p>Class C: None</p>
<b>Subscription, redemption and conversion deadline</b>	<p>12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1% per annum out of the net assets of the Sub-Fund.</p> <p>Class B: 0.70% per annum out of the net assets of the Sub-Fund.</p> <p>Class C: 0.60% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 5%.</p> <p>Class B: 5%.</p> <p>Class C: 5%.</p>



	The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.
<b>Distribution Fee</b>	Class A: None. Class B: None. Class C: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

## **A&G FLOTA – NOMAD DYNAMIC ALLOCATION**

### **Investment Objective**

The Investment Objective of the Sub-Fund is to achieve mid-term capital appreciation. The Sub-Fund seeks to achieve sustained returns over time, applying an investment philosophy based on the fundamental analysis.

The Sub-Fund is actively managed without reference to any benchmark meaning that the Investment Manager has full discretion over the composition of the Sub-Fund's portfolio, subject to the stated investment objectives and policy.

The Sub-Fund will be invested up to 100% of its net assets in listed equities and securities of any sector or market capitalization. The Sub-Fund may also invest up to 50% of its total net assets in Fixed Income assets (including but not limited to: fixed-rate or floating securities, zero-coupon bonds and sovereign/government bonds). High yield bonds (incl. non-rated bonds) will be limited to maximum exposure of 15% of the sub-fund total net assets. However the exposure to high-yield bonds rated CCC+/Caa1 (distressed) and below will be limited to 5% of the Sub-Funds total net assets. The maximum exposure of high yield bond and non-rated bonds is limited to 15% of the sub-fund total net assets and the maximum exposure of CoCo bonds is limited to 10% of the sub-fund total net assets.

Geographical focus will be OECD countries. The Sub-fund may invest in any sector and in any market, including emerging markets up to 40% of the net assets. The maximum exposure to China is limited to 10%, there will be no domestic exposure to China. Investments in China will be achieve exposure to China through ADRs, GDRs or Hong Kong listed companies.

The Sub-Fund may achieve also its investment objective indirectly, by investing through less than 10% in UCIs/UCITS, including EU Exchange Traded Funds (EU ETFs) and money market instruments on an ancillary basis. The Sub-Fund may also invest up to 10% of the net asset value, through exchange traded notes ("ETN") or ("ETC") in accordance with the 2010 UCITS law and the Grand-Ducal Regulation of 8 February 2008.

The sub-fund does not invest in any credit derivatives as e.g. TRSs, ABSs and CLOs.

The Sub-Fund may have a maximum net exposure to non-Euro currencies of 100% of its assets whereas the currencies of Emerging Market countries is limited to maximum 20% of its net assets.

In addition, derivative instruments traded over the counter (OTC) may be used for hedging purpose (for instance, currency forward may be used in order to hedge the exposure to eventual foreign currencies to which the Sub-Fund underlying may be denominated) efficient portfolio management and for investment purpose. Such instruments can be used provided they are contracted with first class financial institutions specialized in this type of transactions and at all times in compliance with the Grand Ducal Regulation.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments and money market funds and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits and cash on sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

According to the Investment Policy above and the non-extensive use of derivative instruments, the Sub-Fund employs the Commitment Approach as the global exposure determination methodology.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Risk Management Process**

The Management Company will employ a risk-management process, which will enable it to monitor and measure at any time the risk of the positions of the Sub-Funds and their contribution to the overall risk profile of the Sub-Funds.

The sub-fund is an open fund which is subject to market risk (price volatility, IR, FX), credit risk (default risk of debt securities), counterparty risk (counterparty default risk), liquidity risk (redemption, market liquidity) and operational risk (e.g. litigation, pandemic, political). Please see also chapter 6.2 for FX Risks, chapter 6.3 for Interest Rate Risks, chapter 6.13-15 for Credit/Default Risks, chapter 6.8-9 for Counterparty Risk, chapter 6.16 for operational risks and chapter 15 for Hedging. The Sub-Fund has no capital guarantee and assumes high risk when investing in securities, thus, potential gains or losses may be significant. The risk category is neither a target nor a guarantee and may shift over time.

### **Investor Profile**

The aforementioned investment strategy corresponds for the investors with a medium investment risk profile.

### **Sustainability Risks**

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager makes all investment management decisions for the Sub-Fund taking into account the legal and contractual investment restrictions considering the Sustainability Risks, which are also taken into account by the Investment Manager. Sustainability Risks are identified, monitored and managed by the Investment Manager.

The following applies to the consideration of Sustainability Risks in investment decisions: The Investment Manager also considers sustainability risks in its

investment decisions besides the common financial data. This consideration applies to the entire investment process and the activity of the Investment Manager, both for the fundamental analysis of investments and for the investment decisions.

Sustainability risks are considered in the investment process of the Investment Manager through macroeconomic, asset-class, and manager analysis. The top-down (asset allocation) investment process considers sustainability risks associated with economic views and the bottom-up (manager selection) component considers the Investment Manager's approach to sustainability risk in their security selection process.

#### **Risk inherent to certain asset classes**

Listed equities, securities and ETFs are mainly subject to daily market price volatilities risks (market risk), and additionally OTC financial derivatives are subject to counterparty default risk (counterparty risk).

Additionally, listed debt securities are beside market risks (IR and FX risks) are subject to credit risk (default risk).

Please see also chapter 6.2 for FX Risks, chapter 6.3 for Interest Rate Risks, chapter 6.13-15 for Credit/Default Risks, chapter 6.8-9 for Counterparty Risk, and chapter 15 for Hedging.

#### **Performance Fee Mechanism**

Please refer to section 26.2 of the general part of the Prospectus.

<b>Investment Manager</b>	A&G Fondos SGIIC S.A., a company incorporated under the laws of Spain, with registered office at Pº Castellana, 92, 28046 Madrid (Spain).
<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Daily. If a day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the valuation day will be the following Business Day.
<b>Calculation Day</b>	The Net Asset Value will be calculated and published on the following Business Day after the respective Valuation Day. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units", then the calculation day will be the following Business Day.

<b>Classes of Shares</b>	<p>Class A: reserved for retail and institutional investors denominated in EUR.</p> <p>Class B: reserved for retail investors denominated in EUR.</p> <p>Class C: Clean class. Reserved for eligible counterparty clients, as defined by MiFID, investing for their own account, other collective investment schemes, distributors, platforms and other forms of intermediary who operate a fee based arrangement with their customers to provide independent advisory or discretionary portfolio management services, that excludes receiving any rebated fees from the Management Company.</p>
<b>Categories of Units</b>	<p>Class A: accumulation of income.</p> <p>Class B: accumulation of income.</p> <p>Class C: accumulation of income.</p>
<b>Initial Subscription Day/Period</b>	<p>The initial subscription period will be from 3 October 2022 to 10 October 2022.</p> <p>The Net Asset Value will be calculated for the first time on the 12 October 2022.</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
<b>Initial Price</b>	<p>Class A: EUR 10</p> <p>Class B: EUR 10</p> <p>Class C: EUR 10</p>
<b>Minimum Initial Investment</b>	<p>Class A: None</p> <p>Class B: EUR 1,000,000 until 31 December 2022; EUR 3,000,000 afterwards.</p> <p>Class C: None</p>

<b>Minimum Subsequent Investment</b>	<p>Class A: None</p> <p>Class B: EUR 3,000,000.</p> <p>Class C: None</p>
<b>Subscription, redemption and conversion deadline</b>	<p>12 p.m. (at noon) Luxembourg time, on the relevant Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid no later than three (3) Business Days following the relevant Valuation Day.</p> <p>Redemption monies are due to be paid no later than four (4) Business Days following the relevant Valuation Day.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Investment Management Fee</b>	<p>The Investment Manager is entitled to an Investment Management Fee as the following:</p> <p>Class A: 1.25% per annum out of the net assets of the Sub-Fund.</p> <p>Class B: 0.80% per annum out of the net assets of the Sub-Fund.</p> <p>Class C: 0.70% per annum out of the net assets of the Sub-Fund.</p>
<b>Management Company Fee*</b>	<p>The Management Company is entitled to a Management Fee of 0.05% per annum out of the Sub-Fund's net assets. A minimum of 2,500 EUR /year for the Sub-Fund is due as Management Fee.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
<b>Performance Fee</b>	<p>Class A: 7.5%.</p> <p>Class B: 7.5%.</p> <p>Class C: 7.5%.</p>

	The Performance Fee is to be paid to the Investment Manager. Please refer to section 26.2 of the general part of the Prospectus.
<b>Distribution Fee</b>	Class A: None. Class B: None. Class C: None.
<b>Formation/Merger Fee</b>	Any formation expenses/merger fees may amount up to EUR 50.000

\* The maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests will be 3%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).