

**BL FUND SELECTION**

**SICAV with multiple sub-funds governed by  
Luxembourg law**

**PROSPECTUS**

**&**

**ARTICLES OF INCORPORATION**

**MAY 2017**

*Subscriptions may only be carried out on the basis of this prospectus (the "Prospectus"), including the Articles of Incorporation and the factsheets for each sub-fund and the key investor information document ("KIID"). The Prospectus may only be distributed if accompanied by the latest annual report or semi-annual report, whichever is the most recent.*

*The fact that the SICAV has been registered on the official list drawn up by the Luxembourg financial sector regulator, or the Commission de Surveillance du Secteur Financier ("CSSF"), must not be interpreted under any circumstances or in any way whatsoever as a positive assessment by the CSSF of the quality of the shares offered for subscription.*

*No information may be given other than that contained in the Prospectus, the Articles of Incorporation and the documents referred to therein.*

## CONTENTS

1. THE SICAV AND THE PARTIES INVOLVED .....	3
2. INTRODUCTION .....	6
3. DESCRIPTION OF THE SICAV .....	7
4. OBJECTIVE OF THE SICAV.....	7
5. ELIGIBLE INVESTMENTS.....	7
6. INVESTMENT RESTRICTIONS.....	9
7. RISKS ASSOCIATED WITH AN INVESTMENT IN THE SICAV.....	17
8. MANAGEMENT COMPANY.....	21
9. MANAGEMENT COMPANY REMUNERATION POLICY .....	21
10. INVESTMENT ADVISERS .....	22
11. CUSTODIAN.....	22
12. DESCRIPTION OF THE SHARES, SHAREHOLDERS' RIGHTS AND THE DIVIDEND POLICY .....	25
13. OBLIGATIONS AND CONSTRAINTS RESULTING FROM FATCA AND CRS .....	26
14. SUBSCRIPTIONS, REDEMPTIONS, CONVERSIONS AND TRANSFERS .....	29
15. DEFINITION AND CALCULATION OF THE NET ASSET VALUE .....	31
16. TAXATION OF THE SICAV AND THE SHAREHOLDERS.....	31
17. FINANCIAL REPORTS .....	32
18. INFORMATION FOR SHAREHOLDERS.....	32
SUB-FUND FACTSHEETS .....	33
ARTICLES OF INCORPORATION.....	51

## 1. THE SICAV AND THE PARTIES INVOLVED

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<b>Name of the SICAV</b>	BL FUND SELECTION
<b>Registered office of the SICAV</b>	14, boulevard Royal L-2449 Luxembourg
<b>Luxembourg Trade and Companies Register number</b>	R.C.S. B 133 040
<b>Legal form</b>	Investment Company with Variable Capital with multiple sub-funds governed by Luxembourg law, subject to Part I of the law of 17 December 2010 on undertakings for collective investment (the "Law of 2010").
<b>Board of Directors of the SICAV</b>	<p>Pierre AHLBORN Managing Director BANQUE DE LUXEMBOURG Société Anonyme 14, boulevard Royal L-2449 Luxembourg Chairman</p> <p>Antoine CALVISI Company Director Société Anonyme 14, boulevard Royal L-2449 Luxembourg Director</p> <p>Philippe HOSS Lawyer Société Anonyme ELVINGER HOSS PRUSSEN 2, place Winston Churchill L-1340 Luxembourg Director</p> <p>Mario KELLER Company Director 14, boulevard Royal L-2449 Luxembourg Director</p> <p>Jacques RECKINGER Director COMPAGNIE FINANCIERE DE GESTION LUXEMBOURG S.A. 40, boulevard Joseph II L-1840 Luxembourg Director</p> <p>Fernand REINERS Member of the Management Committee BANQUE DE LUXEMBOURG Société Anonyme 14, boulevard Royal L-2449 Luxembourg Director</p>

	Luc RODESCH Member of the Management Committee BANQUE DE LUXEMBOURG Société Anonyme 14, boulevard Royal L-2449 Luxembourg Director
<b>Management Company of the SICAV</b>	BLI – BANQUE DE LUXEMBOURG INVESTMENTS S.A. Société Anonyme 7, boulevard Prince Henri L-1724 Luxembourg
<b>Board of Directors of the Management Company</b>	Nicolas BUCK Chief Executive Officer SEQVOIA Société Anonyme IVY Building, 13-15 Parc d'Activités L-8308 Capellen Luxembourg Chairman
	Guy WAGNER Managing Director BLI – BANQUE DE LUXEMBOURG INVESTMENTS S.A. Société Anonyme 7, boulevard Prince Henri L-1724 Luxembourg Managing Director
	Michèle BIEL Executive Conventum Asset Management Société Anonyme 14a, boulevard Royal L-2449 Luxembourg Director
	Ruth BÜLTMANN Managing Director BÜLTMANN ADVISORY sàrl 40, rue d'Ernster L-6977 Oberanven Director
	Gary JANAWAY Independent Director 8, rue Nicolas Welter L-2740 Luxembourg Director

<b>Managing directors of the Management Company</b>	Dieter HEIN Director BLI – BANQUE DE LUXEMBOURG INVESTMENTS S.A. Société Anonyme 7, boulevard Prince Henri L-1724 Luxembourg  Guy WAGNER Managing Director BLI – BANQUE DE LUXEMBOURG INVESTMENTS S.A. Société Anonyme 7, boulevard Prince Henri L-1724 Luxembourg
<b>Domiciliary agent</b>	BANQUE DE LUXEMBOURG Société Anonyme 14, boulevard Royal L-2449 Luxembourg
<b>Custodian and Principal Paying Agent</b>	BANQUE DE LUXEMBOURG Société Anonyme 14, boulevard Royal L-2449 Luxembourg
<b>Central Administration</b>	BANQUE DE LUXEMBOURG Société Anonyme 14, boulevard Royal L-2449 Luxembourg
<b>Central Administration Subcontractor</b>	EUROPEAN FUND ADMINISTRATION Société Anonyme 2, rue d'Alsace B.P. 1725 L-1017 Luxembourg
<b>Approved Independent Auditor (<i>Réviseur d'entreprises agréé</i>)</b>	ERNST & YOUNG S.A. 35 E, J.F. Kennedy L-1855 Luxembourg

## 2. INTRODUCTION

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Nobody is authorised to provide information, make declarations or give confirmations in relation to the offer, distribution, subscription, sale, conversion or redemption of shares of the SICAV other than those indicated herein. However, if such information, declarations or confirmations are given, they cannot be regarded as having been authorised by the SICAV. The provision of the Prospectus and the offer, distribution, subscription or issue of shares of the SICAV do not imply and do not require that the information contained herein remain correct after the date on which the Prospectus was provided or shares of the SICAV were offered, placed, converted, transferred, subscribed or issued.

Investing in shares of the SICAV entails risks, such as they are described in section 7. "Risks associated with an investment in the SICAV".

The providing of the Prospectus and the offering or purchase of the SICAV's shares may be prohibited or restricted in some jurisdictions. The Prospectus does not constitute an offer, invitation or solicitation to subscribe or purchase shares of the SICAV in any jurisdiction in which such an offer, invitation or solicitation is unauthorised or would be illegal. Any person in any jurisdiction whatsoever who receives the Prospectus shall not regard the fact of being given the Prospectus as constituting an offer, invitation or solicitation to subscribe or purchase shares of the SICAV unless, in the jurisdiction concerned, such an offer, invitation or solicitation is authorised without application of legal or regulatory restrictions. Any person in possession of the Prospectus and any person wishing to subscribe or purchase shares of the SICAV shall be responsible for familiarising themselves and complying with the legal and regulatory provisions in the jurisdictions concerned.

### **Data protection**

Pursuant to the obligations arising from the law of 2 August 2002 on the protection of individuals as regards the processing of personal data, as amended ("Law of 2 August 2002"), shareholders are advised that the SICAV, or any person authorised by it, shall take reasonable measures to ensure that the necessary formalities prior to processing data are followed.

Note that in this regard, European Fund Administration ("EFA") processes personal data relating to the SICAV's shareholders on the SICAV's behalf. The EFA processes personal data relating to the SICAV's shareholders using a computer database so that it can perform its mission and, in particular:

- open, close and freeze accounts in the name of the SICAV's shareholders;
- manage share subscriptions, redemptions, conversions and transfers by the SICAV's shareholders;
- send transaction confirmations to the SICAV's shareholders;
- pay dividends to the SICAV's shareholders;
- handle inheritance matters for the SICAV's deceased shareholders.

This personal data is not used for marketing purposes.

This personal data may be transferred to third parties only on the written instructions of the SICAV's Board of Directors, if Luxembourg law so requires, or on the written instructions of the shareholder.

Shareholders are informed that they have the right to view this personal data and ask for it to be corrected if there is an error.

### 3. DESCRIPTION OF THE SICAV

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BL Fund Selection is a Luxembourg *société d'investissement à capital variable* (SICAV – open-ended investment company with variable capital) with multiple sub-funds subject to Part I of the Law of 2010.

It was created for an indefinite duration on 9 July 2001 with the name FUND-MARKET FUND, in the form of a *fonds commun de placement collectif* (FCP – collective investment fund). On 18 October 2007, the general meeting of unitholders decided to convert BL Fund Selection into a *société d'investissement à capital variable* (SICAV). Its Articles of Incorporation were last amended by the Extraordinary Meeting of Shareholders of 13 June 2012. The latest version of the coordinated text of the Articles of Incorporation was published on 20 June 2012.

The consolidation currency is the euro. The minimum share capital of the SICAV is one million two hundred and fifty thousand euro (EUR 1,250,000.00), or the equivalent amount in another currency. The minimum share capital must be reached within a period of six months of the SICAV's approval.

The SICAV's financial year shall end on 30 September each year.

The following sub-funds are currently available for subscription:

Name	Reference currency
BL FUND SELECTION – Equities	EUR
BL FUND SELECTION – 50-100	EUR
BL FUND SELECTION – 0-50	EUR
BL FUND SELECTION – Alternative Strategies	EUR

The SICAV reserves the right to create new sub-funds. In this case the Prospectus shall be updated accordingly.

The SICAV forms a single legal entity. The assets of a sub-fund correspond exclusively to the rights of shareholders of that sub-fund and to those of creditors whose claim arose when the sub-fund was launched, operated or liquidated.

### 4. OBJECTIVE OF THE SICAV

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The objective of the SICAV is to provide shareholders with the opportunity to benefit from the professional management of portfolios of transferable securities and/or other financial assets as defined in the investment policy of each sub-fund (see sub-fund factsheets).

An investment in the SICAV must be regarded as a medium to long-term investment. There is no guarantee that the SICAV will achieve its investment objectives.

The SICAV's investments are subject to the market's normal fluctuations and to the risks inherent in any investment; there is no guarantee that the SICAV's investments will be profitable. The SICAV intends to maintain a diversified investment portfolio in order to limit investment risks.

### 5. ELIGIBLE INVESTMENTS

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1. The SICAV's investments comprise one or more of the following items:
  - a. transferable securities and money market instruments listed or traded on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and Council of 21 April 2004 concerning markets in financial instruments;
  - b. transferable securities and money market instruments traded on another market of a Member State of the European Union that operates regularly and is regulated, recognised and open to the public;
  - c. transferable securities and money market instruments officially listed on a stock exchange of a state outside of the European Union or traded on another market of a

state outside of the European Union that operates regularly and is regulated, recognised and open to the public;

- d. newly issued transferable securities and money market instruments, provided that:
- the issue conditions include the obligation to apply for admission to official listing on a stock exchange or to trading on another regulated market that is recognised, open to the public and operates regularly; and
  - a listing is obtained at the latest within one year from the issue date;
- e. units of UCITS authorised in accordance with Directive 2009/65/EC ("UCITS"), and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, regardless of whether or not they are established in a Member State of the European Union ("other UCIs"), provided that:
- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the *Commission de Surveillance du Secteur Financier* (CSSF – Luxembourg Financial Supervisory Authority) to be equivalent to that laid down in Community law, and that cooperation between the authorities is sufficiently ensured;
  - the level of protection for unitholders of the other UCIs is equivalent to the level of protection for the unitholders of a UCITS and, in particular, the rules regarding the segregation of assets, borrowing, lending and short selling of securities and money-market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business activity of the other UCI is subject to semi-annual and annual reports that enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - the UCITS or other UCIs, the units of which are to be acquired, may, according to their management regulations or Articles of Incorporation, invest a maximum of 10% of their net assets in units of other UCITS or other UCIs;
- f. deposits with credit institutions which are repayable on demand or can 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 non-Member State, provided that it is subject to prudential rules considered by the Luxembourg supervisory authority (CSSF) as equivalent to those laid down by community legislation;
- g. financial derivative instruments, including equivalent cash-settled instruments, that are traded on a regulated market referred to under a), b) and c) and/or financial derivative instruments traded over the counter (OTC derivatives), provided that:
- the underlyings take the form of instruments as defined in paragraph 1 or of financial indices, interest rates, foreign exchange rates or currencies in which the SICAV may invest in accordance with the investment objectives set out in this Prospectus and its Articles of Incorporation;
  - the counterparties to OTC derivatives transactions are institutions subject to prudential supervision and belonging to categories approved by the CSSF; and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis, and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the SICAV's initiative;
- h. money market instruments other than those traded on a regulated market and mentioned in Article 1 of the Law of 2010, provided that the issue or the issuer of these instruments is itself subject to regulations intended to protect investors and their savings and that these instruments are:
- issued or guaranteed by a central, regional or local government administration, by a central bank of a European Union Member State, by the European Central Bank, by



the European Union or by the European Investment Bank, by another country or, in the case of a federal state, by a member of the federation, or by an international public body to which one or several Member States belong, or

- issued by an undertaking whose securities are traded on the regulated markets referred to under a), b) or c), or by an establishment that is subject to supervision in accordance with criteria defined by Community law or by an establishment that is subject to and complies with supervisory laws considered by the CSSF to be at least as stringent as those laid down by Community law, or
- issued by other issuers that belong to a category that has been approved by the CSSF, insofar as investor protection rules are applicable to investment in such instruments that are equivalent to those under indents one, two and three and insofar as the issuer is either an undertaking with capital and reserves of at least ten million euro (EUR 10,000,000) that prepares its annual financial statements according to the rules of the 4th Directive 78/660/EEC, or a legal entity which, within a group of companies comprising one or more listed companies, is responsible for the financing of such group, or a legal entity that is to finance the securitisation of liabilities through the use of a credit line granted by a bank.

2. However, the SICAV may not:

- a. invest more than 10% of its net assets in transferable securities and money market instruments other than those specified in point 1. of this section;
- b. purchase precious metals or certificates representing precious metals.

3. The SICAV may:

- a. acquire movable and immovable property essential for the direct pursuit of business;
- b. hold ancillary liquid assets.

## **6. INVESTMENT RESTRICTIONS**

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The following criteria and restrictions must be adhered to by each of the SICAV's sub-funds:

### **Restrictions with regard to transferable securities and money market instruments**

- 1.
  - a. The SICAV may invest up to 10% of its net assets in transferable securities or money market instruments of a single issuer. The SICAV may invest up to 20% of its net assets in deposits made with the same entity. The counterparty risk in transactions with OTC derivatives must not exceed 10% of the SICAV's net assets if the counterparty is a credit institution as defined in Section 5., point 1.f. hereunder or 5% in other cases.
  - b. The total value of securities and money market instruments of issuers with which the SICAV has invested more than 5% of its net assets in each case may not exceed 40% of the value of the SICAV's net assets. This restriction shall not apply to deposits made with financial institutions subject to prudential supervision and OTC derivative transactions carried out with these institutions.
  - c. Notwithstanding the individual limits laid down under point 1.a., the SICAV may not combine several of the following items if to do so would result in it investing more than 20% of its net assets in a single entity:
    - investments in transferable securities or money market instruments issued by said entity;
    - deposits with said entity, or

- risk arising from OTC derivative transactions undertaken with said entity.

d. The limit stated under point 1.a., sentence 1 shall be increased 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 or by its local authorities, by a third state or by public international bodies to which one or more Member States belong.

e. The limit stated under point 1.a., sentence 1 shall be increased to a maximum of 25% in the case of certain bonds where these are issued by a credit institution that has its registered office in a Member State and is subject by law to special official supervision designed to protect bondholders. In particular, income from the issue of these bonds must be invested in accordance with the statutory provisions in assets that, throughout the term of the bonds, provide sufficient cover for the claims arising from the bonds and that, in the event of the issuer defaulting, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If the SICAV invests more than 5% of its net assets in the bonds referred to in the subparagraph above and issued by the same issuer, the total value of such investments may not exceed 80% of the value of the net assets of the SICAV.

f. The transferable securities and money market instruments referred to under 1.d. and 1.e. shall not be taken into account for the purpose of applying the 40% limit referred to under 1.b.

The limits referred to under points 1.a., 1.b., 1.c., 1.d. and 1.e. may not be combined. Therefore, investments in transferable securities or money market instruments of the same issuer or in deposits with this same issuer or in derivatives with the same issuer made in accordance with 1.a., 1.b., 1.c., 1.d. and 1.e. may not exceed 35% of the SICAV's net assets.

Companies which are included in the same group for the purposes of consolidated accounts, within the meaning of Directive 83/349/EEC or according to the recognised International Accounting Standards, are to be viewed as a single entity when calculating the investment limits set out in this article.

The SICAV may, on a cumulative basis, invest up to 20% of its net assets in transferable securities or money market instruments of a single group of companies.

2. a. Notwithstanding the investment limits laid down under point 5, the limits for investment in equities and/or debt securities stated under 1. of one and the same issuer are raised to a maximum of 20% if, in accordance with the Articles of Incorporation, the investment policy aims to track a particular equity or debt security index recognised by the CSSF, provided that:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it relates;
- it is published in an appropriate manner.

b. The limit specified under 2.a. is raised to 35% if this is justified on the basis of exceptional market conditions, in particular in the case of regulated markets on which particular securities or money market instruments dominate. An investment up to this limit shall only be permitted for a single issuer.

3. **In accordance with the principle of risk spreading, the SICAV may**

invest up to 100% of its net assets in various issues of transferable securities and money market instruments issued or guaranteed by an EU member state, its local or regional authorities, an OECD member state or international public bodies of which one or more are members of the European Union, or a non-member state of the EU approved by the CSSF, including Singapore, Brazil, Russia and Indonesia, provided it holds securities belonging to at least six different issues and securities belonging to a single issue do not exceed 30% of the total.

**Restrictions with regard to investments in UCITS and other UCIs**

4. a. Unless it is stipulated in its factsheet that a given sub-fund may not invest more than 10% of its net assets in units of UCITS and/or UCIs, the SICAV may purchase units of UCITS and/or other UCIs mentioned in section 5., point 1.e. ("other UCIs"), provided that it does not invest more than 20% of its net assets in a single UCITS or other UCI.

For the purposes of this investment limit, each sub-fund of a UCI with multiple sub-funds shall be viewed as an independent issuer provided that the segregation of liabilities of the sub-funds in relation to third parties is assured.

- b. Investments in units of other UCIs may not exceed a total of 30% of the SICAV's net assets.

In instances where the SICAV has acquired units of UCITS and/or other UCIs, the assets of the UCITS or other UCIs in question are not combined in terms of the limits set out under point 1.

- c. When the SICAV acquires units of other UCITS and/or other UCIs that are managed directly or by delegation by the same Management Company or by a company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding (each referred to as a "Linked UCI"), the Management Company or other company may not charge subscription or redemption fees for the SICAV's investments in units of other Linked UCIs.

- d. If the SICAV invests a major portion of its assets in other Linked UCIs, the maximum level of management fees that may be charged both to the sub-funds concerned and to the other Linked UCIs in which the sub-funds concerned intend to invest shall not exceed 4% of assets under management. The annual report of the SICAV shall indicate the maximum proportion of management fee rates borne by the sub-funds concerned and by the UCITS and/or other UCIs in which the sub-funds concerned invest.

- e. A sub-fund of the SICAV ("Investing Sub-fund") may subscribe, purchase and/or hold shares issued or to be issued by one or more other sub-funds of the SICAV (each referred to as a "Target Sub-fund"). The SICAV shall not, however, be subject to the requirements laid down by the Law of 10 August 1915 on commercial companies, as amended, with regard to a company's subscription, purchase and or holding of its own shares, provided that:

- the Target Sub-fund does not in turn invest in the Investing Sub-fund that has invested in the Target Sub-fund;
- the proportion of net assets that the Target Sub-funds that are to be purchased may invest overall, in accordance with their factsheets, in the shares of other Target Sub-funds of the SICAV must not exceed 10%;
- any voting right attached to the shares held by the Investing Sub-fund in the Target Sub-fund is suspended for as long as they are held by the Investing Sub-fund in question, without prejudice to the appropriate recognition in the accounts and periodic reports;
- in any event, and as long as the Target Sub-fund's shares are held by the Investing Sub-fund, their value is not taken into account when calculating the

SICAV's net assets for the purposes of checking the minimum asset level imposed by the Law of 2010;

- management, subscription and redemption fees are not charged by both the Investing Sub-fund and this Target Sub-fund.
- f. As an exception to the risk diversification principle, in section 5., section 6. points 1. and 5.b. third bullet point, and the abovementioned restrictions, but in compliance with the applicable legislation and regulations, each of the SICAV's sub-funds (hereinafter referred to as a "feeder fund") may be authorised to invest at least 85% of its net assets in units of another UCITS or one of its investment sub-funds (hereinafter referred to as a "master fund"). A feeder fund may invest up to 15% of its net assets in one or more of the following:
- ancillary liquid assets in accordance with section 5. point 3.;
  - financial derivatives, which can be used solely for hedging, in accordance with section 5., point 1.g. and section 6., points 10. and 11.;
  - movable and immovable property essential for the direct pursuit of business;
- To comply with of section 6. point 10., the feeder fund shall calculate its overall risk linked to financial derivatives by combining its own direct risk pursuant to point f., first paragraph, second indent with:
- either the master fund's actual risk relating to derivatives, in proportion to the feeder fund's investments in the master fund; or
  - the master fund's potential overall maximum risk relating to the financial derivatives provided for in the master fund's management regulations or Articles of Incorporation, in proportion to the feeder fund's investment in the master fund.
- g. In the broadest sense of the applicable legislation and regulations, and in compliance with the terms and conditions thereof, a sub-fund of the SICAV may be created, or converted into a master fund as described in Article 77(3) of the Law of 2010.

#### **Restrictions with regard to influence**

5. a. The SICAV may not acquire any shares with voting rights on a scale that would enable it to exert significant influence on the management of an issuer.
- b. Moreover, the SICAV may acquire no more than:
- 10% of the non-voting shares of a single issuer;
  - 10% of the debt securities of a single issuer;
  - 25% of the units of a single UCITS and/or other UCI;
  - 10% of the money market instruments of a single issuer.
- The investment limits set out in the second, third and fourth indents may be disregarded if the gross amount of the bonds or money market instruments or the net amount of the units issued cannot be calculated at the time of acquisition.
- c. Points a. and b. shall not apply in the case of:
- transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or by its regional public authorities;
  - transferable securities and money market instruments issued or guaranteed

by a state outside the European Union;

- transferable securities and money market instruments issued by international public bodies to which one or more Member States of the European Union belong;
- shares held by the SICAV in a company established in a state outside the European Union that invests its assets primarily in securities of issuers from that state if this is the only way, taking into account the legal regulations in the state concerned, that the SICAV can invest in securities of issuers of this state. This exception shall only apply, however, if the company established in the state outside the European Union adheres in its investment policy to the limits set out under points 1., 4., 5.a. and 5.b. Point 6. shall apply *mutatis mutandis* in the event that the limits set out under points 1. and 4. are exceeded;
- shares held by the SICAV in the capital of subsidiary companies carrying out management, advisory and marketing activities in the country in which the subsidiary is located, with regard to the redemption of shares at shareholders' request exclusively for its own account or for their account.

#### **Exceptions**

6. a. The SICAV need not comply with the investment limits laid down in this section with regard to the exercising of subscription rights attached to transferable securities or money market instruments forming part of its assets. While ensuring observance of the principle of risk diversification, the SICAV may deviate from the provisions set out under points 1., 2., 3. and 4.a., b., c. and d. for a period of six months following the date of its authorisation.
- b. In the event that the limits set out under point 6.a. are exceeded by the SICAV unintentionally or following the exercise of subscription rights, the SICAV must make it its priority with regard to its selling transactions to normalise the situation with due consideration for the interests of the shareholders.

#### **Restrictions with regard to borrowing, lending and short selling**

7. The SICAV may not borrow, with the following exceptions:
  - a. the purchase of currencies using back-to-back loans;
  - b. loans of up to 10% of its assets provided that they are short-term loans;
  - c. loans of up to 10% of its assets provided that such loans are to be used to enable the SICAV to acquire property that is required for the direct pursuit of its business. In such a case, these loans and those referred to under point 7.b. may not together exceed 15% of the SICAV's net assets.
8. Irrespective of the application of the provisions set out in section 5. hereunder and in section 6. points 10. and 11., the SICAV may not grant loans or act as guarantor for third parties. This restriction shall not however prevent the acquisition by the SICAV of transferable securities, money market instruments or other financial instruments referred to in section 5., points 1.e., 1.g. and 1.h which are not fully paid up.
9. The SICAV may not engage in the short selling of transferable securities, money market instruments or other financial instruments referred to in section 5., points 1.e., 1.g. and 1.h.

#### **Restrictions relating to instruments and techniques for efficient portfolio management, including the use of derivative financial instruments**

10. Derivative financial instruments may be used in connection with the investment, hedging and effective management of the portfolio. The SICAV may use securities lending and firm or optional repurchase agreements to manage the portfolio more effectively. Additional restrictions or exemptions may apply to some sub-funds, as described in the factsheets of the sub-funds concerned.

The total risk incurred by each sub-fund's investments in derivatives may not exceed the total net asset value of the sub-fund in question.

The risks are calculated by taking into account the current value of the underlying assets, the counterparty risk, the foreseeable evolution of the markets and the time available to liquidate positions.

As part of its investment strategy, the SICAV may invest in derivatives within the limits stipulated under 1.f. provided that the total risk of the underlying assets does not exceed the investment limits stipulated under point 1. Investments of the SICAV in index-based derivatives need not be taken into account with regard to the investment limits under point 1.

If a derivative is linked to a transferable security or money market instrument, it must be taken into account with regard to compliance with the provisions stipulated under this point.

The SICAV may, in order to manage the portfolio more effectively and increase its profits or reduce charges and risks, use (i) securities lending transactions, (ii) optional repurchase agreements and (iii) repurchase and reverse repurchase agreements, as far as is permitted and within the limits set by the regulations in force and in particular by Article 11 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions in the Law of 2010 on undertakings for collective investment and by CSSF Circular 08/356 relating to the rules governing undertakings for collective investment if they use certain techniques and instruments that involve transferable securities and money market instruments (as may be amended or replaced from time to time).

When the SICAV concludes transactions involving over-the-counter (OTC) derivative financial instruments and/or within the framework of effective portfolio management techniques, all financial collateral serving to reduce exposure to counterparty risk must, at all times, comply with the following criteria:

- a) Liquidity: financial collateral received in non-cash form must be highly liquid and traded on a regulated market or on a multilateral trading platform with transparent pricing, such that it can be sold quickly at a price close to its pre-sale valuation. All financial collateral received must also satisfy the provisions of article 56 of Directive 2009/65/EC.
- b) Valuation: financial collateral received must be valued at least daily and assets showing high price-volatility must not be accepted as financial collateral, unless a sufficiently prudent discount is applied.
- c) Quality of issuer credit: financial collateral received must be of excellent quality.
- d) Correlation: financial collateral received by the SICAV must be issued by an entity independent of the counterparty and is expected not to be highly correlated with the performance of the counterparty.
- e) Diversification of financial collateral (concentration of assets): financial collateral must be sufficiently diversified in terms of countries, markets and issuers. The sufficient diversification criterion in terms of concentration of issuers is considered to be satisfied if the SICAV receives from a counterparty, within the framework of effective portfolio management techniques and transactions in OTC derivative financial instruments, a basket of financial collateral whereby no more than 20%

of the SICAV's net asset value is exposed to any single issuer. If the SICAV is exposed to more than one counterparty, the various baskets of collateral must be aggregated to calculate the 20% exposure limit to any single issuer.

As an exception to this sub-paragraph, all the SICAV's financial collateral may be constituted by 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 an international public organisation to which one or more Member States belong. If this is the case, the SICAV must receive transferable securities from at least six different issues and the transferable securities from a single issue must not represent more than 30% of its net asset value. Any SICAV that wishes to constitute all its financial collateral from transferable securities issued or guaranteed by a Member State must indicate this in its prospectus. The SICAV must also identify the Member States, local authorities or international public organisations issuing or guaranteeing transferable securities from which the SICAV is in a position to accept collateral exceeding 20% of its net asset value.

- f) The risks relating to collateral management, such as operating risks and legal risks, must be identified, managed and minimised by the risk management process.
- g) Financial collateral received on a transfer-of-ownership basis must be held by the custodian of the SICAV. As for other types of financial collateral contracts, the financial collateral may be held by a third-party custodian which is subject to prudential supervision and is not connected in any way with the provider of the financial collateral.
- h) The financial collateral received must allow full execution by the SICAV at any time without consultation of the counterparty or its approval.
- i) Non-cash financial collateral received must not be sold, reinvested or pledged.
- j) Financial collateral received in the form of cash may only be:
  - deposited with an entity specified in article 50, point f) of Directive 2009/65/EC;
  - invested in high-quality government bonds;
  - used for reverse repurchase transactions, provided that such transactions are with credit institutions which are subject to prudential supervision, and that the SICAV may recall at any time the total cash amount and accrued interest;
  - invested in short-term money market UCITS.

When the SICAV concludes transactions involving over-the-counter derivative financial instruments and/or within the framework of effective portfolio management techniques, in which the SICAV receives financial collateral, the SICAV has set a discount policy for the asset classes received as financial collateral. The SICAV will receive, in principle, cash and high-quality government bonds as financial collateral which will be subject to a discount ranging from 0% to 20% depending on, among other factors, the issuer's credit quality, price volatility and currency risk.

#### **Securities lending transactions**

Each sub-fund may also enter into securities lending transactions subject to the following conditions and limits:

- Each sub-fund may lend the securities it holds via a standardised lending system operated by a recognised securities clearing institution or by a financial institution specialised in this type of transaction and subject to prudential supervision deemed by the CSSF to be equivalent to that provided for in EU legislation.
- The borrower of the securities must also be subject to prudential

supervision deemed by the CSSF to be equivalent to that provided for in EU legislation. If the abovementioned financial institution is acting on its own account, it must be regarded as the counterparty to the securities lending agreement.

- As the sub-funds are open to redemptions, each sub-fund involved must be able to cancel the agreement and have the securities returned at any time. If this is not the case, each sub-fund must ensure that the volume of securities lending agreements is kept at such a level that it is able to meet its redemption obligations at all times.
- Prior to or at the same time as the transfer of the securities lent, each sub-fund must receive a surety that complies with the requirements set forth in the abovementioned Circular 08/356. At the end of the loan agreement, the surety shall be released at the same time as or after the return of the securities lent.

If a sub-fund receives sureties in the form of cash to guarantee the abovementioned transactions in accordance with the provisions of the abovementioned Circular 08/356, these amounts may be reinvested in accordance with the sub-fund's investment objective in (i) shares or units of money market UCIs that calculate a daily net asset value and are rated AAA or equivalent, (ii) in short-term bank deposits, (iii) in money market instruments as defined in the abovementioned Grand-Ducal Regulation of 8 February 2008, (iv) in short-term bonds issued or guaranteed by an EU Member State, Switzerland, Canada, Japan or the United States, or by their regional public authorities or EU, regional or global supranational organisations and bodies, (v) in sufficiently liquid bonds issued or guaranteed by first-rate issuers and (vi) in repurchase agreements in accordance with the terms and conditions provided for in point I (C) a) of the abovementioned Circular 08/356. Such reinvestment must be taken into account when calculating the SICAV's overall risk, especially if it creates leverage.

Income generated by securities lending accrues to the sub-fund concerned. Operating costs, deducted from the gross income generated by securities lending, are in principle expressed as a fixed percentage of gross income and accrue to the SICAV's counterparty.

The SICAV's annual report identifies the counterparty, and whether it is related to the Management Company or to the Custodian, and also discloses the income generated by securities lending and the costs linked to those transactions.

### **Repurchase agreements**

Repurchase agreements involve the buying and selling of securities, whereby the seller reserves the right to repurchase from the buyer the securities sold at a price and date stipulated between the two parties upon the conclusion of the agreement.

The SICAV may act as buyer or seller in repurchase agreements.

### **Repurchase and reverse repurchase agreements**

Repurchase and reverse repurchase agreements consist of spot purchases or sales of transferable securities or money market instruments that are closed out simultaneously by a forward purchase or sale of the same transferable securities or money market instruments at a set date.

For some sub-funds, repurchase agreements constitute the portfolio's main acquisition technique in accordance with the risk spreading rules defined in the Law of 2010. If a sub-fund uses the repurchase technique to acquire its portfolio, a detailed description of this transaction, its valuation method and



its inherent risks will be mentioned in the sub-fund's factsheet. Sub-funds are permitted to acquire a portfolio using repurchase agreements only if they have full legal ownership of the securities acquired and a real right of ownership rather than a merely fictitious right. Repurchase agreements must be structured such that the SICAV can redeem its shares at all times. The terms and conditions of repurchase agreements will be described in greater detail in the factsheets of the sub-funds that use this technique.

In particular, some sub-funds may enter into indexed repurchase agreements, which involve the SICAV entering into spot purchases of transferable securities or money market instruments that are closed out simultaneously by forward sales of the same transferable securities or money market instruments at a set date and at a price that depends on movements in the securities, instruments or indices underlying the transaction in question.

### **Risk management**

11. The Management Company shall use a risk management technique enabling it to monitor and assess at all times the risk associated with positions and the contribution of these to the overall risk profile of the portfolio and to use a technique that provides an accurate and independent assessment of the value of the OTC derivatives. The risk management method used depends on the investment policy of each sub-fund. Unless stipulated otherwise for a particular sub-fund in the corresponding factsheet, the commitment-based approach will be used to measure overall risk.

## **7. RISKS ASSOCIATED WITH AN INVESTMENT IN THE SICAV**

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Before deciding to subscribe shares in the SICAV, all investors are advised to read the information in the Prospectus carefully and to take their current and future financial and tax positions into account. All investors must take careful note of the risks described in this section, the factsheets and in the KIID. The risk factors described above may, individually or jointly, reduce the return on an investment in the SICAV's shares and could result in investors losing part or all of their investment in the SICAV's shares.

The SICAV wishes to draw investors' attention to the fact that investors shall only be able to fully exercise their rights in direct relation to the SICAV (particularly the right to participate in general meetings of shareholders) if they are listed in their own name in the register of shareholders of the SICAV. In the event that an investor invests in the SICAV by way of an intermediary investing in the SICAV in its own name but on behalf of the investor, certain rights associated with shareholder status may not necessarily be exercised by the investor in direct relation to the SICAV. Investors are advised to seek information from their financial adviser regarding their rights.

The value of an investment in the SICAV's shares may rise or fall and is not guaranteed in any manner whatsoever. Shareholders run the risk that the redemption price of their shares or the proceeds of the liquidation of their shares may be significantly less than the price paid to subscribe the SICAV's shares or to purchase the SICAV's shares in some other manner.

An investment in the SICAV's shares is exposed to risks that may include or be linked to equity risk, bond risk, currency risk, interest rate risk, credit risk, counterparty risk and volatility risk, as well as political risks and the risk of a force majeure event occurring. Each of these types of risk may also occur in conjunction with other risks.

The risk factors listed in the Prospectus and KIID are not exhaustive. There may be other risks that investors should take into consideration, depending on their personal situations and particular circumstances now and in the future.

Before deciding to invest, investors should also be fully aware of the risks linked to an investment in the SICAV's shares and should engage the services of their legal, tax and financial advisers, auditors and other advisers in order to obtain comprehensive information on (i) the suitability of an investment in these shares given their personal financial and tax position and particular circumstances and (ii) the information in the Prospectus, factsheets and KIIDs.

The diversification of the sub-funds' portfolios and the conditions and limits set out in sections 5. and 6. seek to manage and limit risk, but do not eliminate it entirely. There is no guarantee that an

investment strategy used successfully by the SICAV in the past will be equally successful in the future. Similarly, there is no guarantee that the past performance of the investment strategy used by the SICAV will be replicated in the future. The SICAV cannot therefore guarantee that the sub-funds will achieve their objectives and that investors will recoup their original investment.

### **Market Risk**

This is a general risk that affects all types of investment. Changes in the prices of transferable securities and other instruments are mainly determined by changes in the financial markets and by economic developments affecting issuers, which are themselves affected by the general situation of the global economy and by the economic and political conditions prevailing in their countries.

### **Risk linked to equity markets**

The risks associated with investing in equities (and equivalent instruments) include significant price fluctuations, negative information relating to issuers or the market, and the subordinate rank of shares in comparison to bonds issued by the same company. Moreover, fluctuations are often amplified in the short term. The risk that the shares of one or more companies may post a fall or fail to rise may have a negative impact on the portfolio's overall performance at a given time.

Some sub-funds may invest in companies carrying out an Initial Public Offering. The risk in such cases is that the price of a share that has just been floated may be highly volatile as a result of factors such as the lack of a previous public market, non-seasonal transactions, the limited number of securities in circulation and a lack of information about the issuer.

Sub-funds that invest in growth stocks may be more volatile than the market as a whole and may react differently to economic, political and market developments and factors specific to the issuer. Growth stocks tend to be more volatile than other stocks, especially in the very short term. These stocks may also be more expensive in relation to their earnings than the market in general. Consequently, growth stocks may react more abruptly to changes in their earnings growth.

### **Risk linked to investments in bonds, debt securities, fixed income products (including high-yield securities) and convertible bonds**

For sub-funds that invest in bonds or other debt securities, the value of these investments will depend on market interest rates, the issuer's credit quality and liquidity considerations. The net asset value of a sub-fund that invests in debt securities will fluctuate in line with interest rates, perception of issuers' credit quality, market liquidity and exchange rates (if the currency of investment is different from the reference currency of the sub-fund holding the investment). Some sub-funds may invest in high-yield debt securities whose level of income may be relatively high, in comparison to an investment in higher quality debt securities. However, the risk of capital depreciation and losses on such debt securities will be higher than on lower-yielding debt securities.

Investments in convertible bonds are sensitive to fluctuations in the price of the underlying shares (a convertible bond's "equity component") while offering a certain degree of protection of part of the capital (a convertible bond's "bond floor"). The larger the equity component, the lower the level of capital protection. As a corollary of this, a convertible bond whose market value has risen significantly in line with the price of the underlying share will have a risk profile closer to that of a share. Conversely, a convertible bond whose market value has fallen to the level of its bond floor in line with a fall in the price of the underlying share will, based on that level, have a risk profile closer to that of a traditional bond.

Like all other bonds, convertible bonds are exposed to the risk that issuers may be unable to meet their obligations in terms of interest payments and/or repayment of the principal on maturity (credit risk). If the market perceives an increased probability of this risk materialising for a given issuer, the market value of the bond may fall significantly and consequently the protection afforded by the fixed income component of the convertible bond. Bonds are also exposed to the risk that their market value may fall if reference interest rates rise (interest rate risk).

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

Payment moratoriums and suspensions of payments in developing countries can result from various factors such as political instability, lax financial management, a lack of foreign currency reserves, capital flight, domestic conflicts or the lack of political will to continue servicing debt contracted previously.

The capacity of corporate issuers to meet their obligations may also be affected by these factors. Moreover, these issuers are subject to decrees, laws and regulations enacted by government

authorities. These may include, inter alia, changes to exchange controls and the legal and regulatory regime, expropriation and nationalisation and new or increased taxes, such as withholding taxes.

Settlement or clearing systems are often less well organised than in developed markets. There is therefore a risk that the settlement or clearing of transactions may be delayed or cancelled. Market practices may require payment in advance of delivery of the securities or other instruments purchased, or delivery of the securities or other instruments sold before payment is received. In these circumstances, a default by the counterparty through which the transaction is executed or settled may result in a loss for a sub-fund investing in these markets.

Uncertainties linked to an opaque legal environment, and the impossibility of establishing clear rights of ownership and legal rights may also be determining factors. The lack of reliable sources of information in these countries, accounting methods that do not meet international standards and the lack of financial or commercial controls are additional determining factors.

At present, investments in Russia are subject to increased risks relating to the ownership and custody of Russian transferable securities. The ownership and custody of transferable securities may be recorded solely in the form of entries on the books of the issuer or the registrar (which is not a transfer agent, and is not responsible vis-à-vis the custodian). Neither the custodian, nor a local correspondent of the custodian, nor a central custodian shall hold a certificate representing title to transferable securities issued by Russian companies. As a result of these market practices and in the absence of effective regulation and controls, the SICAV could, as a result of fraud, theft, destruction, negligence, or the loss or disappearance of the transferable securities in question, lose its status as owner of transferable securities issued by Russian companies. It is also possible that, as a result of market practices, Russian transferable securities must be deposited with Russian institutions that do not always have adequate insurance in place to cover the risk of losses due to theft or the destruction, loss or disappearance of the securities deposited with them.

#### **Concentration risk**

Some sub-funds may concentrate their investments in one or more countries, regions, business sectors, asset classes, types of instrument or currencies with the result that these sub-funds may suffer a greater impact in the event of economic, social, political or fiscal incidents affecting these countries, regions, business sectors, asset classes, types of instrument or currencies.

#### **Interest rate risk**

The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by a number of factors or events such as monetary policies, discount rates and inflation, etc. Investors are reminded that when interest rates rise, the value of investments in fixed income instruments and debt securities falls.

#### **Credit risk**

This refers to the risks that may arise from the downgrading of an issuer of bonds or debt securities. It may therefore cause the value of investments to fall. This risk is linked to an issuer's capacity to honour its debts.

The downgrading of the rating of an issue or an issuer may result in a fall in value of the debt securities in which the sub-fund is invested. Bonds and debt securities issued by entities with a low rating are generally considered to be securities with a higher credit risk and greater risk of issuer default than those of issuers with a higher rating. If the issuer of bonds or debt securities encounters financial or economic difficulty, the value of the bonds or debt securities (which may become null and void) and the payments made on account of these bonds or debt securities (which may become null and void) may be affected.

#### **Currency risk**

If a sub-fund holds assets denominated in currencies other than its reference currency, it may be affected by any fluctuations in the exchange rates between its reference currency and these other currencies, or by any changes that may be introduced with regard to exchange controls. If the currency in which a stock is denominated strengthens against the sub-fund's reference currency, the counter-value of the stock in this reference currency will rise. Conversely, if this currency weakens, the exchange value of the stock will fall accordingly.

If a sub-fund hedges its exchange risk, the effectiveness of such hedges cannot be guaranteed.

#### **Liquidity risk**

There is a risk that investments made in the sub-funds become illiquid as a result of an extremely tight market (often resulting in very wide bid-ask spreads or price swings), or if their rating is downgraded or their financial situation deteriorates. As a result, it may be impossible to sell or buy these investments quickly enough to prevent or minimise these sub-funds' losses. Lastly, there is a risk that securities traded in a narrow market segment, such as the market for small caps, may be subject to significant price volatility.

### **Counterparty risk**

When it enters into over-the-counter contracts, the SICAV may be exposed to risks linked to the solvency of its counterparties and their capacity to comply with the terms of these contracts. The SICAV may therefore enter into forward, option and swap contracts or use other derivative techniques, all of which involve a risk for the SICAV that the counterparty may fail to fulfil its obligations in connection with each contract.

### **Risks linked to derivatives**

The SICAV may use financial derivatives as part of the investment policy described in each of the sub-funds' factsheets. In addition to being used for hedging purposes, these instruments may also form an integral part of the investment strategy in order to optimise returns. Recourse to financial derivatives may be restricted by market conditions and applicable regulations and may involve risks and costs for the sub-fund to which it would otherwise not be exposed. Risks inherent in the use of options, foreign currency contracts, swaps, futures contracts and options on these contracts include: (a) the fact that success depends on the ability of the portfolio manager(s) or sub-manager(s) to accurately predict trends in interest rates, stock prices and/or money market instrument prices and the currency markets; (b) the existence of an imperfect correlation between the prices of options, forward contracts and options on forward contracts and movements in the prices of hedged stocks, money market instruments or currencies; (c) the fact that the skills required to use these financial instruments differ from the skills required to select the stocks in the portfolio; (d) the possibility that a secondary market for a particular instrument may be illiquid at a given time; and (e) the risk that a sub-fund is unable to buy or sell a stock in the portfolio during favourable periods or may have to sell an asset in the portfolio on unfavourable terms. When a sub-fund enters into a swap transaction, it is exposed to counterparty risk. The use of derivative financial instruments also involves risk relating to leverage. Leverage occurs when a modest capital sum is invested in the purchase of derivatives in comparison with the cost of directly acquiring the underlying assets. The higher the leverage, the greater the variation in the price of the derivative in the event of a fluctuation in the price of the underlying asset (in comparison with the subscription price determined according to the conditions of the derivative). The potential and risks of derivatives thus increase in parallel with an increase in the leverage effect. Finally, there is no guarantee that the objective sought through the use of these derivative financial instruments will be achieved.

### **Risks relating to securities lending**

The main risk related to securities lending is that the borrower of the securities may become insolvent or find itself unable to return the borrowed securities and that at the same time the value of the corresponding collateral does not cover the cost of replacing the securities which had been borrowed.

If the collateral received is reinvested, the value of the reinvested collateral may fall to less than the value of the securities loaned by the SICAV.

Investors' attention is also drawn to the fact that the SICAV lending the securities forfeits its right to vote at meetings of the corresponding securities holders throughout the entire term of the securities loan in question.

### **Taxation**

Investors should be aware that (i) the income from the sale of securities on certain markets, or dividends or other income earned may be or may become subject to taxes, duties or other fees or charges levied by this market's authorities, including withholding tax and/or (ii) the sub-fund's investments may be subject to specific taxes or charges levied by the authorities in certain markets. The tax legislation and the practice in certain countries in which the sub-fund invests or may invest in the future have not been clearly established. It is therefore possible that the current interpretation of the legislation or the understanding of a practice may change, or that the legislation may change with retroactive effect. It is therefore possible that the sub-fund may be

subject to additional taxes in such countries, even though these taxes were not foreseen on the date of this Prospectus or on the date on which the investments were made, valued or sold.

### **Risk arising from investments in units of UCIs**

The SICAV's investments in units of UCIs (including investments by some of the SICAV's sub-funds in units of the SICAV's other sub-funds) expose the SICAV to risks associated with the financial instruments that these UCIs hold in the portfolio and are described above. However, certain risks relate specifically to the SICAV's holding of units of UCIs. Some UCIs may use leverage, either through derivatives or by borrowing. The use of leverage increases the volatility of these UCIs and therefore the risk of capital loss. Most UCIs also provide for the possibility of suspending redemptions temporarily in exceptional circumstances. Investments in units of UCIs may therefore incur greater liquidity risk than a direct investment in a portfolio of transferable securities. On the other hand, investing in units of UCIs gives the SICAV flexible and efficient access to a range of professional investment styles and a means of diversifying its investments. A sub-fund that invests mainly through UCIs will ensure that its portfolio of UCIs is sufficiently liquid for it to meet its own redemption obligations.

Investing in units of UCIs may involve a doubling up of certain charges as, in addition to the charges deducted in respect of the sub-fund in which an investor has invested, the investor in question bears a portion of the charges deducted in respect of the UCI in which the sub-fund is invested. The SICAV offers investors a choice of portfolios that may present different levels of risk and therefore, in theory, a long-term overall return that corresponds to the level of risk accepted.

Investors can consult the KIIDs to find out the level of risk for each share class available.

The higher the level of risk, the longer the investor's investment horizon should be and the more they should be ready to accept a significant loss of the capital invested.

## **8. MANAGEMENT COMPANY**

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The SICAV has appointed BLI – BANQUE DE LUXEMBOURG INVESTMENTS S.A. as its Management Company, which shall provide fund management, administration and distribution services. The Management Company is an authorised asset management company governed by Chapter 15 of the Law of 2010.

The Management Company delegates, under its responsibility and control, the central administration function to BANQUE DE LUXEMBOURG, which in turn delegates, under its responsibility, part of its activities to EFA.

The Management Company may, under its responsibility and control and subject to the prior agreement of the SICAV, delegate the task of managing the assets of one or more sub-funds to one or more investment managers ("Investment Managers"), named in the sub-funds' factsheets.

The Management Company may, under its responsibility and control and subject to the prior agreement of the SICAV, authorise one or more Investment Managers to delegate the task of managing the assets of one or more sub-funds to one or more sub-managers ("Sub-Managers"), named in the sub-funds' factsheets.

The rates of the management fee payable to the Management Company and any performance fees payable to the Investment Manager are indicated in the sub-funds' factsheets.

The Management Company, or any Investment Manager or Sub-Manager, may, under its own responsibility and at its own expense, subject to the Luxembourg laws and regulations in force and provided it does not result in higher management charges payable to the Management Company, use the services of one or more investment advisers whose activity consists in advising the Management Company, the Investment Manager and the Sub Manager in their investment policies.

The Management Company may appoint one or more distributors to distribute the shares of one or more sub-funds of the SICAV.

## **9. MANAGEMENT COMPANY REMUNERATION POLICY**

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Under the Law of 2010, the Management Company has drawn up a remuneration policy for its various staff categories, including general management, risk-takers, individuals with an audit role,

and any employee who, in view of their overall remuneration, falls into the same remuneration band as the general management and risk-taker categories and whose professional activities have a substantial impact on the risk profiles of the Management Company or the SICAV. This remuneration policy complies with the following principles:

- a) it is compatible with and encourages the sound and effective management of risks and does not promote risk-taking that would be incompatible with the SICAV's risk profiles, rules or Articles of Incorporation;
- b) it complies with the economic strategy, objectives, values and interests of the Management Company and the SICAV and with those of the SICAV's investors, and includes measures to prevent conflicts of interest;
- c) performance is evaluated over a period of several years, in line with the SICAV's recommended holding period for investors, to ensure that remuneration remains closely linked to the SICAV's long-term performance and investment risks, and that the actual payment of performance-related remuneration is staggered over the same period;
- d) an appropriate balance is established between the fixed and variable components of overall remuneration: the fixed component represents a sufficiently high proportion of the overall remuneration to allow for flexibility with regard to the variable remuneration components, in particular, the option not to pay any variable component at all.

The Management Company's updated remuneration policy, including a description of how remuneration and benefits are calculated and the identity of the individuals responsible for the allocation of remuneration and benefits, is available at [[www.banquedeluxembourg.com/en/bank/corporate/legal-information](http://www.banquedeluxembourg.com/en/bank/corporate/legal-information)]. A paper copy is available free of charge on request at the registered office of the Management Company.

## **10. INVESTMENT ADVISERS**

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The SICAV may use the services of one or more investment advisers ("Investment Advisers"), who will advise the SICAV on its investment policy and investments.

The names and a description of the Investment Advisers, as well as their remuneration, shall be indicated in the sub-fund factsheets.

## **11. CUSTODIAN**

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By virtue of a custodian agreement between the SICAV, the Management Company and BANQUE DE LUXEMBOURG ("Custodian Agreement"), the latter was appointed custodian of the SICAV ("Custodian") to (i) safeguard the assets of the SICAV, (ii) monitor its cash flow, (iii) carry out the audit functions and (iv) perform any other services that may be agreed at any time and reflected in the Custodian Agreement.

The Custodian is a credit institution established in Luxembourg whose registered office is located at 14, boulevard Royal, L-2449 Luxembourg, and which is registered with the Trade and Companies Register of Luxembourg under number B 5310. The Custodian is authorised to carry out banking activities under the amended Luxembourg law of 5 April 1993 concerning the financial sector, including, among other activities, the provision of custody, fund administration and related services.

### **Duties of the Custodian**

The Custodian is responsible for the custody of the SICAV's assets. Financial instruments whose custody may be managed in accordance with Article 22.5 (a) of Directive 2009/65/EC as amended ("Assets Under Custody") may be held directly by the Custodian, or, insofar as the applicable laws and regulations allow, by other credit institutions or financial intermediaries acting as its correspondents, sub-custodian banks, nominees, agents or representatives. The Custodian also ensures that the SICAV's cash flow is adequately monitored.

In addition, the Custodian must:

- (i) ensure that SICAV shares are sold, issued, redeemed, reimbursed and cancelled in accordance with the Law of 2010 and the Articles of Incorporation;
- (ii) ensure that the value of the SICAV is calculated in accordance with the Law of 2010 and the Articles of Incorporation;
- (iii) execute the instructions of the SICAV, unless these are contrary to the Law of 2010 or the Articles of Incorporation;
- (iv) ensure that, in transactions involving the assets of the SICAV, the consideration is delivered to the SICAV within the customary time frame;
- (v) ensure that the SICAV's income is allocated in accordance with the Law of 2010 and the Articles of Incorporation.

### **Delegation of powers**

By virtue of the Law of 2010 and the Custodian Agreement, the Custodian delegates the custody of the Assets Under Custody in the SICAV to one or more delegated third parties appointed by the Custodian.

The Custodian shall demonstrate care and diligence in the selection, appointment and monitoring of delegated third parties, to ensure that each delegated third party meets the requirements of the Law of 2010. The Custodian's liability is not affected by the fact that it has entrusted all or part of the SICAV's assets in its custody to these delegated third parties.

In the event of the loss of an Asset Under Custody, the Custodian will return a financial instrument of the same kind or the corresponding sum to the SICAV without undue delay, unless this loss is the result of an external event beyond the reasonable control of the Custodian, the consequences of which would have been inevitable despite all reasonable efforts taken to prevent them.

Under the Law of 2010, when the law of a third country requires that some of the SICAV's financial instruments be held by a local entity and there is no local entity in this third country which is subject to effective prudential supervision and regulation (including capital requirements), the delegation of custody tasks for these financial instruments to a local entity is subject to (i) an instruction by the SICAV to the Custodian to delegate the custody of these financial instruments to a local entity, and (ii) provided that the SICAV investors are duly informed prior to their investment that this delegation is required due to the legal restrictions of the laws of the third country, and of the circumstances justifying the delegation and the risks inherent to this delegation. It is the responsibility of the SICAV and/or the Management Company to fulfil condition (ii) above, it being understood that the Custodian may validly refuse to accept custody of the financial instruments in question until it receives both the instruction referred to in point (i) above and written confirmation from the SICAV and/or the Management Company that condition (ii) above has been met.

### **Conflicts of interest**

In performing its duties and obligations as custodian of the SICAV, the Custodian shall act with honesty, loyalty, professionalism and autonomy, in the exclusive interest of the SICAV and its shareholders.

As a multi-service bank, the Custodian is authorised to provide to the SICAV, directly or indirectly and through related or unrelated parties, a wide range of banking services in addition to custodian services.

The provision of additional banking services and/or the relationship between the Custodian and the SICAV's key service providers may give rise to potential conflicts of interest with regard to the Custodian's duties and obligations to the SICAV. Such potential conflicts of interest may arise, in particular, from the following situations (the term "CM-CIC Group" refers to the banking group to which the Custodian belongs):

- where employees of CM-CIC Group sit on the Board of Directors of the SICAV;

- where the Custodian and the Management Company are part of CM-CIC Group and employees of CM-CIC Group sit on the Board of Directors of the Management Company;
- where the Custodian also acts as central administrative agent for the SICAV;
- where the Custodian holds a significant stake as a shareholder in European Fund Administration in Luxembourg (“EFA”) and employees of CM-CIC Group sit on the Board of Directors of EFA;
- where the Custodian delegates custody of the SICAV’s financial instruments to a number of sub-custodians;
- where the Custodian provides additional banking services over and above their custodian services and/or acts as the SICAV’s counterparty for transactions involving over-the-counter derivatives.

The following conditions should help to reduce the risk and impact of conflicts of interest that may arise from the above-mentioned situations.

Employees of CM-CIC Group that sit on the SICAV’s Board of Directors will not interfere in the day-to-day management of the SICAV. This will remain the sole responsibility of the Management Company and its representatives, which operate with their own staff, according to their respective service agreements agreed with the SICAV, in line with their own rules of conduct and within their own internal control framework. No CM-CIC Group employee who is responsible for or involved with the custody, cash flow monitoring and/or Custodian supervision functions may be a member of the Board of Directors of the SICAV.

CM-CIC Group employees who sit on the Board of Directors of the Management Company shall not interfere in the performance of the Management Company’s duties with regard to the SICAV, which remain the sole responsibility of the Management Company’s Board of Directors and staff. The Management Company, in the performance of its duties and tasks, operates with its own staff, according to the service agreements it has agreed with the SICAV, in line with its own procedures and rules of conduct and within its own internal control framework.

The Custodian, acting as central administrative agent, delegates the execution of its duties as central administrative agent to a separate legal entity, namely EFA, a specialised financial services provider subject to the regulations and supervision of the Commission de Surveillance du Secteur Financier (Financial Sector Supervisory Commission) in Luxembourg.

CM-CIC Group employees who sit on the Board of Directors of EFA shall not interfere in the day-to-day management of EFA, which remains the sole responsibility of EFA’s Board of Directors and staff. EFA, in the performance of its duties and tasks, operates with its own staff, in line with its own procedures and rules of conduct and within its own internal control framework.

The sub-custodian selection and supervision process is conducted in accordance with the Law of 2010 and is kept separate, in both hierarchical and functional terms, from any other commercial relationships that do not pertain to the sub-custody of the SICAV’s financial instruments and are liable to distort the Custodian selection and supervision process. The risk and impact of conflicts of interest is further mitigated by the fact that, except for a specific category of financial instrument, none of the sub-custodians selected by Banque de Luxembourg to act as custodians of the SICAV’s financial instruments form part of CM-CIC Group. There is an exception for units held by the SICAV in French investment funds because, for operational reasons, the trading process is managed by and custody delegated to Banque Fédérative du Crédit Mutuel in France (“BFCM”) as a specialised intermediary. BFCM is a member of CM-CIC Group. BFCM, in the performance of its duties and tasks, operates with its own staff, in line with its own procedures and rules of conduct and within its own internal control framework.

The provision of additional banking services by the Custodian to the SICAV complies with the applicable legal and regulatory provisions and rules of conduct (including best execution policies) and the execution of these additional banking services is kept separate, in both hierarchical and functional terms, from the execution of the custodian functions.

If, despite the aforementioned conditions, a conflict of interest arises involving the Custodian, the Custodian will, at all times, attend to its duties and obligations under the Custodian Agreement



entered into with the SICAV and will act accordingly. If, despite all the measures taken, the Custodian finds itself unable, with regard to its duties and obligations under the Custodian Agreement entered into with the SICAV, to resolve a conflict of interest that may significantly and negatively affect the SICAV or its shareholders, it will notify the SICAV, which will take the appropriate measures.

As the financial landscape and the organisational structure of the SICAV may change over time, the nature and impact of possible conflicts of interest, as well as the conditions under which conflicts of interest involving the Custodian may arise, may also evolve.

In the event of a significant change to the organisational structure of the SICAV or the scope of the services provided by the Custodian to the SICAV, this change will be subject to the evaluation and approval of the Custodian's internal approval committee. The Custodian's internal approval committee will assess, among other aspects, the impact of such changes on the nature and impact of any conflicts of interest with the Custodian's duties and obligations to the SICAV and will determine the appropriate mitigation measures.

The shareholders of the SICAV may contact the Custodian, at its registered office, for any information concerning an update to the above-mentioned principles.

### **Miscellaneous**

The Custodian or SICAV may terminate the Custodian Agreement at any time by means of at least three (3) months' written notice (or sooner in the event of certain breaches of the Custodian Agreement, including the insolvency of one of the parties to the Custodian Agreement). As of the termination date, the Custodian no longer acts as custodian of the SICAV within the meaning of the Law of 2010 and, therefore, will no longer undertake any related duties or obligations and will no longer be subject to the liability regime imposed by the Law of 2010 with regard to the services that it would be called upon to provide after the termination date.

Up-to-date information on the list of delegated third parties will be made available to investors at <http://www.banquedeluxembourg.com/en/bank/corporate/legal-information>.

As Custodian, BANQUE DE LUXEMBOURG will perform the obligations and duties prescribed by the Law of 2010 and the applicable regulatory provisions.

The Custodian has no decision-making power and is not obliged to provide advice regarding the structure and investments of the SICAV. The Custodian is a service provider of the SICAV and is not liable for the preparation or content of this Prospectus and, accordingly, does not assume responsibility for the accuracy and completeness of the information contained in this prospectus or for the validity of the structure and investments of the SICAV.

Investors are invited to consult the Custodian Agreement for more information about the limitations of the Custodian's obligations and responsibilities.

## **12. DESCRIPTION OF THE SHARES, SHAREHOLDERS' RIGHTS AND THE DIVIDEND POLICY**

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The share capital of the SICAV is equal to the total net assets of the various sub-funds.

### **FORM OF THE SHARES OFFERED FOR SUBSCRIPTION**

Shares may be issued as:

1. registered shares in the name of the investor in the register of shareholders or
2. uncertificated bearer shares and/or bearer shares in the form of a global certificate held in custody by a clearing and settlement system.

The SICAV will no longer issue bearer units in physical form.

Shares may be issued in fractions up to the thousandth of a share.

### **CHARACTERISTICS OF THE SHARES OFFERED FOR SUBSCRIPTION**

The sub-funds currently offered for subscription will issue the following classes of shares. The share classes available for each sub-fund are indicated in the fact sheet of each sub-fund.

1. **Class A shares:** distribution shares denominated in the reference currency of the sub-fund which, in principle, entitle the holder to receive a dividend, as described in the Articles of Incorporation appended to this Prospectus;
2. **Class B shares:** accumulation shares denominated in the reference currency of the sub-fund which, in principle, do not entitle the holder to a dividend, but whose share of the amount to be distributed is accumulated in the sub-fund to which these accumulation shares belong;
3. **Class B USD HEDGED shares:** accumulation shares which differ from Class B shares in that they must be denominated in a currency (in USD) other than the reference currency of the sub-fund. For this share class, the aim is to hedge the currency risk relative to the sub-fund's base currency. However, the SICAV cannot guarantee that the currency risk relative to the sub-fund's base currency is fully hedged at all times, meaning that residual currency risk cannot be excluded.

The dividends payable in connection with any distribution class may be paid in cash or in the form of new shares of the class concerned, at the request of the shareholder in question.

### **13. OBLIGATIONS AND CONSTRAINTS RESULTING FROM FATCA AND CRS**

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This section provides general information about the impact on the SICAV of two major regulations (FATCA and CRS), which aim to combat tax evasion. **Current and future investors in the SICAV are advised to consult their tax adviser to determine the consequences that FATCA/CRS may have on their investment in the SICAV.**

#### **GENERAL INTRODUCTION TO FATCA-RELATED OBLIGATIONS**

The Foreign Account Tax Compliance Act ("FATCA") requires non-US financial institutions ("Foreign Financial Institutions" or "FFIs") to provide information relating to certain US persons who hold, or are the beneficial owners of, accounts or investments with said institutions ("US reportable accounts").

In accordance with the Luxembourg law of 24 July 2015 transposing the Intergovernmental Agreement concluded on 28 March 2014 between the Grand Duchy of Luxembourg and the United States of America (the "Luxembourg FATCA Regulation"), Luxembourg FFIs must provide annually to the Administration des Contributions Directes (ACD – the Luxembourg Inland Revenue) financial and personal information (the "Information", as defined in the Data Protection section) related, in particular, to the identification of assets held by and payments made to (i) Specified US Persons as defined in FATCA, (ii) certain Non-Financial Foreign Entities ("NFFEs") held substantially by Specified US Persons, and (iii) FFIs that do not comply with the FATCA regulations applicable to them ("Non-Participating Foreign Financial Institutions" or "NPFFIs") (together, "US reportable persons").

As the SICAV is defined as a Luxembourg FFI, it is subject to the provisions of the Luxembourg FATCA Regulation.

#### **GENERAL INTRODUCTION TO CRS-RELATED OBLIGATIONS**

The "Common Reporting Standard" or "CRS" as defined in the CRS Multilateral Competent Authority Agreement (the "MCAA") signed by Luxembourg on 29 October 2014, and in the Luxembourg law of 18 December 2015 on the CRS (together, the "Luxembourg CRS Regulation") require that Luxembourg financial institutions ("Luxembourg FIs") provide information relating to certain persons who hold, or are the beneficial owners of, financial accounts or investments with said institutions ("CRS reportable persons").

In accordance with the Luxembourg CRS Regulation, Luxembourg financial institutions must provide annually to the ACD financial and personal information (the "Information", as defined in the Data Protection section) related, in particular, to the identification of assets held by and payments made to (i) CRS reportable persons and (ii) CRS reportable persons who control certain Non-Financial Entities ("NFEs").

The SICAV is defined as a Luxembourg FI, and is therefore subject to the provisions of the Luxembourg CRS Regulation.

#### **STATUS OF THE SICAV UNDER FATCA AND CRS (“SICAV STATUS”)**

The SICAV is considered a reporting foreign financial institution (“reporting FFI”) pursuant to the Luxembourg FATCA Regulation, and as a reporting financial institution (“reporting FI”) within the meaning of the Luxembourg CRS Regulation.

#### **IMPACT OF SICAV STATUS ON CURRENT AND FUTURE INVESTORS**

References to the obligation on current and future investors to provide certain information and supporting documents to the SICAV should be understood as the obligation to provide such information and supporting documents to the SICAV or European Fund Administration as the SICAV’s delegated registrar and transfer agent.

The ability of the SICAV to meet the obligations of the Luxembourg FATCA Regulation and/or the Luxembourg CRS Regulation will depend on the ability of current and future investors to provide the information and supporting documents to the SICAV so that it may, among other duties, determine the CRS and FATCA status of present and future investors.

The SICAV’s status prevents it from accepting any investor who has not provided it with the information and supporting documents required by the Luxembourg FATCA Regulation and/or the Luxembourg CRS Regulation.

If an investor has not provided the information and supporting documents to the SICAV by the time the latter receives the subscription request, the subscription request will not be accepted and will be deferred for a limited period of time (“grace period”) until the SICAV receives the required information and supporting documents. The subscription request will be accepted and deemed received by the SICAV:

- (i) if the SICAV receives the information and supporting documents required during the grace period; and
- (ii) after the SICAV has reviewed the information and supporting documents required; and
- (iii) once the SICAV has accepted the investor.

As at the date of the prospectus, the grace period is set at 90 calendar days. However, this period may be adjusted or cancelled at any time at the discretion of the SICAV or if the applicable laws and regulations so require.

In this case, following the acceptance of an investor, the subscription request will be processed in accordance with the procedure described in the prospectus/issue document for the SICAV.

If the investor does not provide the information and supporting documents to the SICAV before the end of the grace period, the subscription request will be definitively cancelled. In this case, no compensation will be payable to the investor and the subscription fee will not be repaid.

Future investors are informed that, in addition to the information and supporting documents required by the Luxembourg FATCA Regulation and/or the Luxembourg CRS Regulation, supplementary information and supporting documents may be requested under other applicable laws and regulations, in particular regulations designed to prevent money laundering and the financing of terrorism.

The SICAV’s status also obliges it to regularly review the FATCA and CRS status of its investors. The SICAV will obtain and verify the information and supporting documents of all its investors. Consequently, investors agree and undertake to provide certain information and supporting documents as required by the Luxembourg FATCA Regulation and the Luxembourg CRS Regulation and, especially for certain categories of NFFE/NFE, information and supporting documents concerning the persons controlling these NFFE/NFEs. Similarly, all investors agree and undertake to actively inform the SICAV, within forty-five days, of any change to the information or supporting documentation provided (such as a new postal or residential address) that could alter

the investor's FATCA or CRS status and, for some NFFE/NFEs, alter the status of their "Controlling Persons"<sup>1</sup> ).

Any US reportable person and/or CRS reportable person will be reported to the ACD, which may then send the information to the relevant taxation authority, in particular, under FATCA, the US Department of Treasury.

If the SICAV does not obtain the information and supporting documents from the investor, it is authorised at its sole discretion or may be required to take certain measures to comply with the Luxembourg FATCA Regulation and Luxembourg CRS Regulation. Such measures (i) may include the disclosure to the ACD of information about the investor concerned and, where applicable, about the investor's Controlling Person(s) and (ii) may involve the deduction of any tax or penalties levied on the SICAV as a result of the investor's failure to provide the information and supporting documents required.

The SICAV may also, at its sole discretion, proceed with the compulsory redemption of an investor's units or reject subscription orders from any investor that it determines could compromise its status.

### **INELIGIBLE INVESTORS IN THE SICAV**

The units of the SICAV must not be offered, sold, transferred or held by NPFFIs.

If, despite best efforts, an investor is defined as an NPFFI (for example, due to a change of circumstances), the SICAV must take all necessary measures, including (i) the disclosure of information about the investor to the ACD and (ii) the compulsory redemption of shares held by the investor. This could jeopardise the continuation of the relationship between the SICAV and the investor.

### **DATA PROTECTION**

Pursuant to the law of 2 August 2002 on the protection of individuals with regard to the processing of personal data, as amended, the SICAV, as data controller, collects, stores and processes, by electronic or other means, the data provided by investors in order to provide the services requested by investors and to comply with the legal obligations of the SICAV.

Personal data may be sent to individuals responsible for processing the data for the SICAV (the "Data managers") including, in particular:

- The management company, located in Luxembourg;
- The registrar and transfer agent, located in Luxembourg;
- The registrar and transfer agent representative, located in Luxembourg;
- The domiciliation agent, located in Luxembourg;
- The custodian, located in Luxembourg;
- The global distributor (or global distributors, if the global distributor is different depending on the SICAV's sub-funds), located in Austria, Belgium, France, Germany, Netherlands, Singapore, Spain, Sweden or Luxembourg.

The processing managers assume a key role in the proper operation of the SICAV and, in particular, regarding: the processing of share subscriptions, redemptions and conversions, the payment of redemptions, dividends and other investor income, information about corporate transactions, maintaining the shareholders' register, the control over trading and market timing practices, checks and controls relating to regulations on money laundering and financing of terrorism, the FATCA regulations applicable to Luxembourg and the Luxembourg CRS regulations, as well as all other applicable laws and regulations. The sole purpose of the information provided

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<sup>1</sup> The term "Controlling Persons" refers to the natural persons who exercise control over an Entity. If an entity is managed by a trust, this term designates the settlors, trustees, protectors (if any), beneficiaries or classes of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, this term means persons in equivalent or similar positions. The expression "Controlling Persons" should be interpreted in a manner consistent with the recommendations of the Financial Action Task Force (FATF).

by investors and transferred to the processing managers is to enable processing managers to carry out their respective roles.

The SICAV will not transfer information concerning an investor to any third party other than the processing manager, unless required by applicable laws and regulations or with the prior consent of the investor.

Each shareholder is hereby informed that their personal data will be transferred to the processing managers when acquiring units.

The data processed includes personal information (last name, first name, date and place of birth, tax identification number, country(ies) of tax residence and residential address) and financial information (interest, dividends and other revenue generated by the assets held in their account or by payments made to their account, account balances and proceeds of the sale or redemption of assets paid or credited to their account) and any other information required by applicable laws (the "Information").

An investor may, at their discretion, refuse to disclose Information to the SICAV. In this case, the SICAV may reject the request for the purchase of units and may decide to terminate the business relationship between the SICAV and the investor.

Each investor has a right to access their information and may request that their information be corrected if it is inaccurate or incomplete by writing to the SICAV's registered office.

## **14. SUBSCRIPTIONS, REDEMPTIONS, CONVERSIONS AND TRANSFERS**

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### **Subscriptions/redemptions/conversions/transfers**

Subscriptions, redemptions, conversions and transfers of the SICAV's shares are carried out in accordance with the provisions of the Articles of Incorporation attached to this Prospectus and as stated in the sub-funds' factsheets.

Subscriptions, redemptions and conversions are executed in the currency of the share class in question, as described in the sub-fund's factsheet.

Application forms for the subscription, redemption, conversion and transfer of shares are available on request:

- The Central Administration Subcontractor, EFA
- at the registered office of the SICAV

Subscription, redemption, conversion and transfer requests for the SICAV should be sent to EUROPEAN FUND ADMINISTRATION, 2 rue d'Alsace, P.O. Box 1725, L-1017 Luxembourg or by fax to +352 48 65 61 80 02, or to entities authorised to accept subscription, redemption, conversion and transfer requests on behalf of the SICAV in countries where the SICAV's shares are offered to the public for subscription according to the terms and conditions listed in the term sheet for the relevant sub-funds.

Subscribers are informed that certain sub-funds or share classes may not be available to all investors. The SICAV therefore reserves the right to restrict subscriptions or purchases of sub-funds or share classes to investors that meet the criteria set by the SICAV. These criteria may relate, for example, to an investor's country of residence, to enable the SICAV to comply with laws, customs, industry practices, tax implications or other considerations linked to the country in question, or to the type of investor, such as an institutional investor.

### **Provisions relating to the fight against money laundering and financing of terrorism**

In accordance with the international rules and the laws and regulations in force in Luxembourg on the fight against money laundering and the financing of terrorism, financial sector professionals are bound by obligations intended to prevent the use of undertakings for collective investment for money laundering or the financing of terrorism. These provisions normally require the SICAV, the Central Administration or any duly authorised person to identify each investor, pursuant to the Luxembourg laws and regulations. The SICAV, Central Administration or any duly authorised

person may ask subscribers to provide any document or other information that it deems necessary to identify them.

If a subscriber delays or fails to provide the documents or information required, the SICAV, Central Administration or any duly authorised person may refuse to accept the subscription (or redemption, conversion or transfer) request. The SICAV, Central Administration and any authorised person shall not be held liable for (1) refusing to accept a request, (2) a delay in processing a request or (3) the decision to suspend a payment in connection with an accepted request if the investor has not provided the requested documents or information or has provided incomplete documents or information.

Shareholders may also be asked to provide additional or up-to-date documents in accordance with ongoing control and supervision obligations in application of the laws and regulations in force.

#### **Restrictions on share subscriptions and transfers**

In some jurisdictions there may be restrictions on the distribution of the SICAV's shares. Persons in possession of the Prospectus must consult the Management Company about such restrictions and must undertake to comply with them.

The Prospectus does not constitute a public offer or a solicitation to purchase the SICAV's shares vis-à-vis persons in jurisdictions in which the SICAV is not authorised to offer its shares to the public, or if an offer to such persons could be considered to be unauthorised.

Moreover, the SICAV has the right:

- to refuse subscription requests at its discretion,
- to carry out forced redemptions of shares in accordance with the provisions of the Articles of Incorporation.

#### **Restrictions on share subscriptions and transfers applicable to US investors**

None of the sub-funds have been or will be registered in application of the United States Securities Act of 1933 (the "Act of 1933") or any law on transferable securities of any State or political subdivisions of the United States of America or its territories, possessions or other regions subject to the jurisdiction of the United States of America, in particular the Commonwealth of Puerto Rico (the "United States"), and the shares of said sub-funds may only be offered, sold or transferred in accordance with the provisions of the Act of 1933 and the laws on transferable securities in these and other States.

Certain restrictions are also applicable to any subsequent transfer of sub-funds to the United States to or for the account of US persons (as defined in Regulation S of the Act of 1933, hereinafter "US Persons"), i.e. any US resident or any legal entity, partnership or other entity created or organised pursuant to the laws of the United States (including any assets of any entity created in the United States or organised pursuant to the laws of the United States). The SICAV is not and will not be registered in the USA pursuant to the United States Investment Company Act of 1940, as amended.

Shareholders must notify the SICAV immediately if they are or have become US Persons, or if they hold share classes for or on behalf of US Persons, or they hold share classes in violation of any legislation or regulations or under circumstances that have or may have detrimental regulatory or fiscal consequences for the sub-fund or the shareholders, or are to the detriment of the SICAV's interests. If the Board of Directors learns that a shareholder (a) is a US Person or holds shares for or on behalf of a US Person, (b) holds share classes in violation of any legislation or regulations or under circumstances that have or may have detrimental regulatory or fiscal consequences for the sub-fund or the shareholders, or are to the detriment of the SICAV's interests, the SICAV shall be entitled to force the redemption of the shares concerned in accordance with the provisions of the Articles of Incorporation.

Before deciding to subscribe or purchase shares of the SICAV, all investors are advised to consult their legal, tax or financial adviser, auditor or any other professional adviser.

### **Market Timing/Late Trading**

In accordance with the applicable legal and regulatory provisions, the SICAV does not authorise practices associated with market timing or late trading. The SICAV reserves the right to reject subscription or conversion requests from an investor that it suspects of using such practices and, where necessary, to take any measures deemed necessary to protect the SICAV's shareholders. Subscriptions, redemptions and conversions are executed at an unknown net asset value.

## **15. DEFINITION AND CALCULATION OF THE NET ASSET VALUE**

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In accordance with the provisions of the Articles of Incorporation, the net assets of each of the SICAV's sub-funds are valued and the Net Asset Value ("NAV") per share is calculated on each valuation day indicated in the sub-fund's factsheet (the "Valuation Day").

Regardless of the sub-fund or share class to which it belongs, a share's Net Asset Value shall be determined in the respective currency of that share class.

## **16. TAXATION OF THE SICAV AND THE SHAREHOLDERS**

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### **TAXATION OF THE SICAV**

Pursuant to applicable legislation, the SICAV is not subject to any Luxembourg tax.

It is however subject to the 0.05% annual subscription tax payable quarterly on the basis of net assets of the SICAV shown at the end of each quarter. The net assets invested in UCIs that have already paid the subscription tax are waived of the subscription tax. The share classes intended exclusively for institutional investors within the meaning of article 174(2) of the Law of 2010 and as defined in the chapter "Description of shares, rights of shareholders and distribution policy" of the Prospectus, are subject to a reduced subscription tax of 0.01%.

The SICAV shall be subject to withholding taxes applicable in the various countries on income, dividends and interest from its investments in these countries, without them being necessarily recoverable.

Finally, it may also be subject to indirect taxes on its operations and on services charged to it under applicable legislation.

Taxation laws and the level of tax relating to the SICAV may change from time to time.

### **TAXATION OF THE SHAREHOLDERS**

The tax consequences for prospective investors wishing to purchase, subscribe, acquire, hold, convert, sell, redeem or dispose shares of the SICAV will depend on the relevant laws of any jurisdiction to which the investor is subject. Shareholders and prospective investors should seek independent professional advice regarding relevant tax laws, as well as any other relevant laws and regulations. Taxation laws and the level of tax relating to the shareholders may change from time to time.

### **EXCHANGE OF INFORMATION FOR INTEREST PAYMENTS TO SHAREHOLDERS**

Luxembourg voted a law dated 25 November 2014 (the "November 2014 Law") enacting the automatic exchange of information for interest payments in the frame of the European directive 2003/48/CE of 3 June 2003 on taxation of savings income in the form of interest payments (the "Directive"). The November 2014 Law entered into force on 1 January 2015. The previous transitional regime in which interest payments may have been subject to a withholding tax ended on 31 December 2014.

Dividends distributed by a Sub-Fund of the SICAV will be subject to the Directive if more than 15% of such Sub-Fund's assets are invested in debt claims (as defined in the Directive) and proceeds realised by Shareholders on the redemption or sale of Shares in a Sub-Fund will be subject to the Directive if more than 25% of such Sub-Fund's assets are invested in debt claims (as defined in the Directive). With effect from 1 January 2015, dividends payments and redemption proceeds due to



the shareholders concerned by the dispositions of the Directive will be subject to automatic exchange of information for interest payments as defined in the Directive.

The foregoing is a summary of the Directive and the November 2014 Law and does not purport to be complete in all respects.

**The above information is not legal or tax advice and must not be interpreted as such. The SICAV advises potential investors to obtain the necessary information and, where appropriate, seek advice on the laws and regulations that apply to them with regard to the subscription, purchase, holding, redemption, sale, conversion or transfer of shares.**

## 17. FINANCIAL REPORTS

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Each year, the SICAV publishes an annual report to 30 September audited by the Approved Statutory Auditor, and an unaudited semi-annual report to 31 March.

These financial reports shall include separate financial statements for each sub-fund. The consolidation currency is the euro.

## 18. INFORMATION FOR SHAREHOLDERS

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The net asset value and the issue, redemption and conversion prices of each share class are available each full bank business day in Luxembourg from the registered office of the SICAV. Furthermore, the shareholders of the SICAV may, on request, obtain from the Management Company (email: [info@bli.lu](mailto:info@bli.lu)) detailed portfolio statements of the SICAV sub-funds concerned.

Amendments to the SICAV's Articles of Incorporation shall be published in the *Mémorial, Recueil des Sociétés et Associations* in Luxembourg.

If so required by the applicable legislation, invitations to attend General Meetings of Shareholders will be published in the *Mémorial, Recueil des Sociétés et Associations* and in one national publication in Luxembourg, as well as in one or more media distributed or published in other countries where the SICAV's shares are offered to the public for subscription.

If so required by the applicable legislation, other notices for shareholders will be published in a national publication in Luxembourg, and in one or more media distributed in other countries where the SICAV's shares are offered to the public for subscription.

The following documents are available to the public at the registered offices of the SICAV and the Management Company:

- the SICAV's Prospectus, including the Articles of Incorporation and the factsheets,
- the SICAV's KIIDs (also published on the websites [www.blfunds.com](http://www.blfunds.com) and [www.bli.lu](http://www.bli.lu)),
- the SICAV's financial reports.

A copy of the agreements that the SICAV has entered into with its Management Company, Investment Managers and Investment Advisers may be consulted free of charge at the SICAV's registered office.



<p><b>BL FUND SELECTION</b></p> <p><b>Sub-fund factsheets</b></p>
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## BL FUND SELECTION – EQUITIES

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### INVESTMENT POLICY

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**Objective of the sub-fund**

- > To generate capital gains over the long term.

Emphasis is placed on international diversification of investments and flexibility with regard to the themes and sectors that may potentially exist within the sub-fund.

At least 75% of the net assets are exposed to equity markets.

**Investment policy**

- > Up to and including 21 May 2017:

With a minimum of 75% of its net assets exposed to equity markets, this sub-fund mainly invests in UCITS and other UCIs, without geographic, sectoral or monetary restrictions.

The remaining assets may be invested in bond UCIs, cash or in any type of transferable security listed or traded on a regulated market.

The emphasis is placed on the international diversification of investments and flexibility in terms of themes and sectors potentially present within the sub-fund.

The sub-fund may invest in derivatives for hedging purposes or in order to optimise the portfolio, in compliance with the provisions of sections 5. and 6. of the Prospectus, (such as equity index futures, forward exchange contracts on convertible or non-convertible currencies, options traded on regulated markets, etc.).

The sub-fund may invest in structured products defined as transferable securities in accordance with points 5.1.a. - 5.1.d. or point 5.2.a. of the Prospectus and whose underlying instruments may consist of equities, bonds, commodities (up to a maximum of 10% of net assets), of baskets of equities and/or bonds and/or indices (e.g., indices on equities, bonds, commodities, financial indices, interest rates, foreign exchange rates or currencies) and baskets of eligible stock market products in compliance with Article 41 (1) of the Law of 17 December 2010.

In the event that the structured products in which the sub-fund invests include derivatives, the derivatives must comply with the investment restrictions set out under point 6.10 of the Prospectus. In addition, the assets underlying the incorporated derivatives must be eligible assets.

From 22 May 2017:

This sub-fund, which has at least 75% of its net assets exposed to equity markets, is invested primarily in UCITS and other UCIs, with no geographical, sectorial or monetary restrictions.

The remaining assets may be invested in:

- money market instruments;
- or in any type of transferable security listed or traded on a regulated market;
- bond UCIs;

- structured products.

In accordance with Article 41 (1) a) – d) and 41 (2) a) of the Law of 2010 and Article 2 of the Grand-Ducal Regulation of 8 February 2008, as well as point 17 of the CESR/07-044b guidelines, structured products will be categorised as transferable securities.

If the structured products in which the sub-fund invests include derivatives, derivative products must comply with the investment restrictions described under point 6.10. of the Prospectus. In addition, the underlyings of the derivatives must be eligible assets.

The underlyings may consist of:

- equities;
- bonds;
- commodities (including but not limited to precious metals);
- baskets of bonds and/or equities;
- indices (e.g. indices on equities, bonds, commodities, financial indices, interest rates, exchange rates or foreign currencies); baskets of eligible stock market products in accordance with Article 41 (1) of the Law of 17 December 2010.

Structured products on precious metals will exclusively be Exchange Traded Commodities (“ETCs”) on precious metals, provided that these products do not contain embedded derivatives (in accordance with Article 10 of the CESR/07-044 guidelines on assets eligible for UCITS investments) and do not lead to a physical delivery of the underlying metal. These ETCs may represent up to 25% of net assets.

For the purposes of hedging or optimising the portfolio, and in accordance with the provisions of Chapters 5 and 6 of the Prospectus, the sub-fund may invest in derivatives (such as futures on equity indices, forward exchanges on convertible or non-convertible currencies, or options traded on regulated markets).

<b>Reference currency</b>	> EUR
<b>Investment horizon</b>	<p>&gt; More than 10 years.</p> <p>The investment policy of the sub-fund is intended for investors who have an interest in the financial markets and who are seeking long-term capital gains. Investors should be prepared to accept significant losses due to price fluctuations on the stock markets.</p>
<b>Risk management</b>	> Commitment-based approach
<b>Risk Factors</b>	> Investors are advised to consult section 7. of this Prospectus, “Risks associated with an investment in the SICAV”, for information about the potential risks associated with an investment in this sub-fund.

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## INVESTMENT MANAGER

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- Investment manager** > BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A., Luxembourg subject to supervision by the COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (CSSF), Luxembourg.

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## FEES AND CHARGES PAYABLE BY THE SHAREHOLDER

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- Subscription fee** > Maximum 5% of the amount subscribed, payable to the entities and agents involved in the distribution and placement of shares. It is the responsibility of each distributor to determine the subscription fee payable.
- Redemption fee** > None.
- Conversion fee** > None.

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## FEES AND EXPENSES PAYABLE BY THE SUB-FUND

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- Management fee** > Maximum 1.25% p.a., calculated quarterly on the basis of the average net assets of the sub-fund for the quarter in question.
- Management fee applicable to target funds** > Maximum 2.50% p.a. of the net assets invested in the target fund. Any refunded management fees from a target fund shall be credited to the sub-fund.
- Remuneration of the Custodian (excluding transactions costs and correspondent bank fees)** > Maximum custody fee of 0.04% p.a. based on the sub-fund's average net assets.  
Maximum depositary fee of 0.02% p.a. based on the sub-fund's average net assets, with a minimum of EUR 1,250 per month per sub-fund.  
Maximum cash flow monitoring fee of EUR 800 per month for the sub-fund.  
The fees above are expressed exclusive of VAT.
- Other Management Company fees and Central Administration fees** > Maximum 0.07% p.a. payable quarterly and calculated on the basis of the average net assets of the sub-fund during the relevant quarter, with a minimum not exceeding EUR 70,000 p.a.
- Other fees and expenses** > The sub-fund shall also pay other operating expenses, as described in Article 31 of the SICAV's Articles of Incorporation.

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## DISTRIBUTION OF SHARES

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- Share classes offered for subscription** > 

Share classes	ISIN code	Currency
B	LU0135980968	EUR
- Form of shares** > Shares may be issued in the form of:
1. registered shares in the name of the investor in the shareholders' register, or
  2. uncertificated bearer shares and/or global certificate held in custody by a clearing and settlement system.

The SICAV will no longer issue bearer units in physical form.

**Minimum initial investment**

>	Share classes	Minimum initial investment
	B	-

The SICAV's Board of Directors may at its sole discretion decide to accept all the subscription requests received on a given valuation day without applying the minimum initial subscription requirement.

**Subscriptions, redemptions and conversions**

- > Subscription, redemption and conversion requests received by EUROPEAN FUND ADMINISTRATION before 12.00 p.m. on a Valuation Day are accepted at the NAV of that Valuation Day, subject to the payment of fees indicated above in the sections "FEES AND CHARGES PAYABLE BY THE SHAREHOLDER" and "FEES AND EXPENSES PAYABLE BY THE SUB-FUND".

*Subscriptions, redemptions and conversions must be paid up no later than four full bank business days in Luxembourg following the Valuation Day.*

**Valuation Day**

- > Each full bank business day in Luxembourg.

The Net Asset Value will be calculated based on the last closing prices available on the Valuation Day and will actually be determined on the second bank business day in Luxembourg following the Valuation Day.

**Publication of the NAV**

- > At the SICAV's registered office.

**Listing on the Luxembourg Stock Exchange**

- > No.

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## POINTS OF CONTACT

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**Subscriptions, redemptions, conversions and transfers**

- > EUROPEAN FUND ADMINISTRATION  
 Tel: +352 48 48 80 582  
 Fax: +352 48 65 61 8002

**Document request**

- > BANQUE DE LUXEMBOURG  
 Tel: +352 49 924 1  
[www.banquedeluxembourg.com](http://www.banquedeluxembourg.com)

## BL FUND SELECTION – 50-100

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### INVESTMENT POLICY

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- Objective of the sub-fund** > To achieve capital gains with a medium level of volatility.
- The weighting associated with equity markets may vary between 50% and 100% of net assets. Emphasis is placed on international diversification of investments and flexibility with regard to the themes and sectors that may potentially exist within the sub-fund.
- Investment policy** > Up to and including 21 May 2017:
- This dynamic balanced sub-fund mainly invests in UCITS and other UCIs, without geographic, sectoral or monetary restrictions.
- The remaining assets may be invested in cash or in any type of transferable security listed or traded on a regulated market.
- The equity market weighting may vary between 50% and 100% of the net assets.
- The emphasis is placed on the international diversification of investments and flexibility in terms of themes and sectors potentially present within the sub-fund
- The sub-fund may invest in derivatives for hedging purposes or in order to optimise the portfolio, in compliance with the provisions of sections 5. and 6. of the Prospectus, (such as bond futures, equity index futures, forward exchange contracts on convertible or non-convertible currencies, options traded on regulated markets, etc.).
- The sub-fund may invest in structured products defined as transferable securities in accordance with points 5.1.a. - 5.1.d. or point 5.2.a. of the Prospectus and whose underlying instruments may consist of equities, bonds, commodities (up to a maximum of 10% of net assets) baskets of equities and/or bonds and/or indices (e.g., indices on equities, bonds, commodities, financial indices, interest rates, foreign exchange rates or currencies) and baskets of eligible stock market products in compliance with Article 41 (1) of the Law of 17 December 2010.
- In the event that the structured products in which the sub-fund invests include derivatives, the derivatives must comply with the investment restrictions set out under point 6.10 of the Prospectus. In addition, the assets underlying the incorporated derivatives must be eligible assets.
- From 22 May 2017:
- This flexible sub-fund invests mainly, without geographic, sector or monetary restrictions, in UCITS or other UCIs investing in different asset classes, i.e. in equities, bonds, money market instruments or other transferable securities in compliance with Article 41 (1) of the Law of 17 December 2010.

The remaining assets may be invested in:

- money market instruments;
- in any type of transferable security listed or traded on a regulated market;
- structured products.

In accordance with Article 41 (1) a) – d) and 41 (2) a) of the Law of 2010 and Article 2 of the Grand-Ducal Regulation of 8 February 2008, as well as point 17 of the CESR/07-044b guidelines, structured products will be categorised as transferable securities.

If the structured products in which the sub-fund invests include derivatives, derivative products must comply with the investment restrictions described under point 6.10. of the Prospectus. In addition, the underlyings of the derivatives must be eligible assets.

The underlyings may consist of:

- equities;
- bonds;
- commodities (including but not limited to precious metals);
- baskets of bonds and/or equities;
- indices (e.g. indices on equities, bonds, commodities, financial indices, interest rates, exchange rates or foreign currencies);
- baskets of eligible stock market products in accordance with Article 41 (1) of the Law of 17 December 2010.

Structured products on precious metals will exclusively be Exchange Traded Commodities (“ETCs”) on precious metals, provided that these products do not contain embedded derivatives (in accordance with Article 10 of the CESR/07-044 guidelines on assets eligible for UCITS investments) and do not lead to a physical delivery of the underlying metal. These ETCs may represent up to 25% of net assets.

For the purposes of hedging or optimising the portfolio, and in accordance with the provisions of Chapters 5 and 6 of the Prospectus, the sub-fund may invest in derivatives (such as futures on equity indices, forward exchanges on convertible or non-convertible currencies, or options traded on regulated markets).

**Reference currency**

> EUR

**Investment horizon**

> More than 6 years

The investment policy of the sub-fund is intended for investors who have an interest in the financial markets and who are seeking long-term capital gains. Investors should be prepared to accept significant losses due to price fluctuations on the stock markets.

**Risk management**

Commitment-based approach

**Risk Factors**

Investors are advised to consult section 7. of this Prospectus, “Risks associated with an investment in the SICAV”, for information about the potential risks associated with an investment in this sub-fund.

## INVESTMENT MANAGER

- Investment manager** > BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A., Luxembourg subject to supervision by the COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (CSSF), Luxembourg.

## FEES AND CHARGES PAYABLE BY THE SHAREHOLDER

- Subscription fee** > Maximum 5% of the amount subscribed, payable to the entities and agents involved in the distribution and placement of shares. It is the responsibility of each distributor to determine the subscription fee payable.
- Redemption fee** > None.
- Conversion fee** > None.

## FEES AND EXPENSES PAYABLE BY THE SUB-FUND

- Management fee** > Maximum 1.25% per annum, calculated quarterly on the basis of the average net assets of the sub-fund for the quarter in question.
- Management fee applicable to target funds** > Maximum 2.50% p.a. of the net assets invested in the target fund. Any refunded management fees from a target fund shall be credited to the sub-fund.
- Remuneration of the Custodian (excluding transactions costs and correspondent bank fees)** > Maximum custody fee of 0.04% p.a. based on the sub-fund's average net assets.  
Maximum depositary fee of 0.02% p.a. based on the sub-fund's average net assets, with a minimum of EUR 1,250 per month per sub-fund.  
Maximum cash flow monitoring fee of EUR 800 per month for the sub-fund.  
The fees above are expressed exclusive of VAT.
- Other Management Company fees and Central Administration fees** > Maximum 0.07% p.a. payable quarterly and calculated on the basis of the average net assets of the sub-fund during the relevant quarter, with a minimum not exceeding EUR 70,000 p.a.
- Other fees and expenses** > The sub-fund shall also pay other operating expenses, as described in Article 31 of the SICAV's Articles of Incorporation.

## DISTRIBUTION OF SHARES

- Share classes offered for subscription** > 

Share classes	ISIN code	Currency
B	LU0135981693	EUR
- Form of the shares** > Shares may be issued in the form of:
1. registered shares in the name of the investor in the shareholders' register, or
  2. uncertificated bearer shares and/or global certificate held in custody by a clearing and settlement system.
- The SICAV will no longer issue bearer units in physical form



**Minimum initial investment**

>

Share classes	Minimum initial investment
B	-

The SICAV's Board of Directors may at its sole discretion decide to accept all the subscription requests received on a given valuation day without applying the minimum initial subscription requirement.

**Subscriptions, redemptions and conversions**

>

Subscription, redemption and conversion requests received by EUROPEAN FUND ADMINISTRATION before 12.00 p.m. on a Valuation Day are accepted at the NAV of that Valuation Day, subject to the payment of fees indicated above in the sections "FEES AND CHARGES PAYABLE BY THE SHAREHOLDER" and "FEES AND EXPENSES PAYABLE BY THE SUB-FUND".

*Subscriptions, redemptions and conversions must be paid up no later than four full bank business days in Luxembourg following the Valuation Day.*

**Valuation Day**

>

Each full bank business day in Luxembourg.

The Net Asset Value will be calculated based on the last closing prices available on the Valuation Day and will actually be determined on the second bank business day in Luxembourg following the Valuation Day.

**Publication of the NAV**

>

At the SICAV's registered office.

**Listing on the Luxembourg Stock Exchange**

>

No.

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**POINTS OF CONTACT**

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**Subscriptions, redemptions, conversions and transfers**

>

EUROPEAN FUND ADMINISTRATION  
 Tel: +352 48 48 80 582  
 Fax: +352 48 65 61 8002

**Document request**

>

BANQUE DE LUXEMBOURG  
 Tel: +352 49 924 1  
[www.banquedeluxembourg.com](http://www.banquedeluxembourg.com)

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## BL FUND SELECTION – 0-50

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### INVESTMENT POLICY

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**Objective of the sub-fund**

- > The objective of this sub-fund is to achieve long-term capital appreciation by means of a diversified portfolio, while still maintaining a lower level of volatility than the equity markets.
- The proportion of asset classes may vary depending on market conditions. However, the weighting of equities may under no circumstances exceed 50%.

**Investment policy**

- > Up to and including 21 May 2017:

This flexible sub-fund invests, without geographic, sector or monetary restrictions, at least 51% of its net assets in UCITS or other UCIs investing in different asset classes, i.e. in equities, bonds, money market instruments or other transferable securities in compliance with Article 41 (1) of the Law of 17 December 2010.

The remaining assets may be invested in cash or in any type of fixed or variable-income transferable security listed or traded on a regulated market.

The proportion invested in the different asset classes will vary according to market conditions. The equities weighting may not, however, exceed 50%.

The sub-fund may invest in derivatives for hedging purposes or in order to optimise the portfolio, in compliance with the provisions of sections 5. and 6. of the Prospectus, (such as bond futures, equity index futures, forward exchange contracts on convertible or non-convertible currencies, options traded on regulated markets, etc.).

The sub-fund may invest in structured products defined as transferable securities in accordance with points 5.1.a. - 5.1.d. or point 5.2.a. of the Prospectus and whose underlying instruments may consist of equities, bonds, baskets of equities and/or bonds and/or indices (e.g., indices on equities, bonds, commodities, financial indices, interest rates, foreign exchange rates or currencies) and baskets of eligible stock market products in compliance with Article 41 (1) of the Law of 17 December 2010.

In the event that the structured products in which the sub-fund invests include derivatives, the derivatives must comply with the investment restrictions set out under point 6.10 of the Prospectus. In addition, the assets underlying the incorporated derivatives must be eligible assets in compliance with point 5.1. to 5.2.a. of the Prospectus.

From 22 May 2017:

This flexible sub-fund has at least 51% of its net assets invested, with no geographical, sectorial or monetary restrictions, in UCITS or other UCIs that invest in various asset classes, namely equities, bonds, money market instruments or other transferable securities in accordance with Article 41 (1) of the Law of 17 December 2010.

The remaining assets may be invested in:

- money market instruments;
- any type of fixed and/or variable-income transferable security listed or traded on a regulated market;
- structured products;

In accordance with Article 41 (1) a) – d) and 41 (2) a) of the Law of 2010 and Article 2 of the Grand-Ducal Regulation of 8 February 2008, as well as point 17 of the CESR/07-044b guidelines, structured products will be categorised as transferable securities.

If the structured products in which the sub-fund invests include derivatives, derivative products must comply with the investment restrictions described under point 6.10. of the Prospectus. In addition, the underlyings of incorporated derivatives must be eligible assets in accordance with point 5.1. and point 5.2.a. of the Prospectus.

The underlyings may consist of:

- equities;
- bonds;
- commodities (including but not limited to precious metals);
- baskets of bonds and/or equities;
- indices (e.g. indices on equities, bonds, commodities, financial indices, interest rates, exchange rates or foreign currencies);
- baskets of eligible stock market products in accordance with Article 41 (1) of the Law of 17 December 2010.

Structured products on precious metals will exclusively be Exchange Traded Commodities (“ETCs”) on precious metals, provided that these products do not contain embedded derivatives (in accordance with Article 10 of the CESR/07-044 guidelines on assets eligible for UCITS investments) and do not lead to a physical delivery of the underlying metal. These ETCs may represent up to 25% of net assets.

For the purposes of hedging or optimising the portfolio, and in accordance with the provisions of Chapters 5 and 6 of the Prospectus, the sub-fund may invest in derivatives (such as futures on bonds, futures on equity indices, forward exchanges on convertible or non-convertible currencies or options traded on regulated markets).

**Reference currency**

> EUR

**Investment horizon**

> More than 3 years.

The investment policy of the sub-fund is intended for investors who have an interest in the financial markets and who are seeking long-term capital gains. Investors should be prepared to accept significant losses due to price fluctuations on the stock markets.

**Risk management**

Commitment-based approach

**Risk Factors**

Investors are advised to consult section 7. of this Prospectus, “Risks associated with an investment in the SICAV”, for information about the potential risks associated with an investment in this sub-fund.

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## INVESTMENT MANAGER

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<b>Investment manager</b>	> BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A., Luxembourg subject to supervision by the COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (CSSF), Luxembourg.
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## FEES AND CHARGES PAYABLE BY THE SHAREHOLDER

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<b>Subscription fee</b>	> Maximum 5% of the amount subscribed, payable to the entities and agents involved in the distribution and placement of shares.
<b>Redemption fee</b>	> None.
<b>Conversion fee</b>	> None.

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## FEES AND EXPENSES PAYABLE BY THE SUB-FUND

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<b>Management fee</b>	> Maximum 0.60% per annum, calculated quarterly on the basis of the average net assets of the sub-fund for the quarter in question.
<b>Performance fee</b>	> Up to and including 21 May 2017:

The Management Company is entitled to a performance fee corresponding to 10% of the annual increase in the NAV multiplied by the average net assets for the financial year in question. This annual increase ("the Performance") is defined as being the positive difference between the final NAV at the end of the financial year in question ("final NAV") and the final NAV of the previous financial year ("initial NAV"), expressed as a percentage.

The NAV taken as the reference NAV for the first financial year is the first NAV to be calculated. The NAV taken as the reference NAV for subsequent financial years is that of the previous financial year-end.

No performance fee is payable if the performance is negative. It is payable on an annual basis in the month following the end of the financial year.

From 22 May 2017:

The Management Company shall be entitled to a performance fee representing 10% of the growth in NAV multiplied by the average net assets of the financial year in question. This growth ("the Performance") is defined as being the positive difference between the NAV per share at the end of the financial year in question ("final NAV") and the highest historical NAV per share (High Water Mark Principle) ("initial NAV"), expressed as a percentage.

The initial NAV will be that dated 30/09/2016. The performance fee is due only if the final NAV per share is higher than the initial NAV (High Water Mark Principle). No performance fee is due if the Performance is negative. It is payable annually in the month following the end of the financial year.

<b>Management fee applicable to target funds</b>	> Maximum 2.50% p.a. of the net assets invested in the target fund. Any refunded management fees from a target fund shall be credited to the sub-fund.
<b>Remuneration of the Custodian (excluding transactions costs and correspondent bank fees)</b>	<p>&gt; Maximum custody fee of 0.04% p.a. based on the sub-fund's average net assets.</p> <p>Maximum depositary fee of 0.02% p.a. based on the sub-fund's average net assets, with a minimum of EUR 1,250 per month per sub-fund.</p> <p>Maximum cash flow monitoring fee of EUR 800 per month for the sub-fund.</p> <p>The fees above are expressed exclusive of VAT.</p>
<b>Other Management Company fees and Central Administration fees</b>	> Maximum 0.07% p.a. payable quarterly and calculated on the basis of the average net assets of the sub-fund during the relevant quarter, with a minimum not exceeding EUR 70,000 p.a.
<b>Management fee applicable to target funds</b>	> Maximum 2.50% p.a. of the net assets invested in the target fund. Any refunded management fees from a target fund shall be credited to the sub-fund.
<b>Custodian fee (excluding transactions costs and correspondent bank fees)</b>	> Maximum 0.10% p.a., calculated on the basis of the annual average value of the net assets of the sub-fund, with a minimum of EUR 6,250 p.a.
<b>Other fees and expenses</b>	> The sub-fund shall also pay other operating expenses, as described in Article 31 of the SICAV's Articles of Incorporation.

## DISTRIBUTION OF SHARES

<b>Share classes offered for subscription</b>	>	<table><tr><th>Share classes</th><th>ISIN code</th><th>Currency</th></tr><tr><td>B</td><td>LU0430649086</td><td>EUR</td></tr></table>	Share classes	ISIN code	Currency	B	LU0430649086	EUR
Share classes	ISIN code	Currency						
B	LU0430649086	EUR						
<b>Form of the shares</b>	>	<p>Shares may be issued in the form of:</p> <ol style="list-style-type: none"><li>1. registered shares in the name of the investor in the shareholders' register, or</li><li>2. uncertificated bearer shares and/or global certificate held in custody by a clearing and settlement system.</li></ol> <p>The SICAV will no longer issue bearer units in physical form</p>						
<b>Minimum initial investment</b>	>	<table><tr><th>Share classes</th><th>Minimum initial investment</th></tr><tr><td>B</td><td>-</td></tr></table> <p>The SICAV's Board of Directors may at its sole discretion decide to accept all the subscription requests received on a given valuation day without applying the minimum initial subscription requirement.</p>	Share classes	Minimum initial investment	B	-		
Share classes	Minimum initial investment							
B	-							

<b>Subscriptions, redemptions and conversions</b>	<p>&gt; Subscription, redemption and conversion requests received by EUROPEAN FUND ADMINISTRATION before 12.00 p.m. on a Valuation Day are accepted at the NAV of that Valuation Day, subject to the payment of fees indicated above in the sections "FEES AND CHARGES PAYABLE BY THE SHAREHOLDER" and "FEES AND EXPENSES PAYABLE BY THE SUB-FUND".</p> <p><i>Subscriptions, redemptions and conversions must be paid up no later than four full bank business days in Luxembourg following the Valuation Day.</i></p>
<b>Valuation Day</b>	<p>&gt; Each full bank business day in Luxembourg.</p> <p>The Net Asset Value will be calculated based on the last closing prices available on the Valuation Day and will actually be determined on the second bank business day in Luxembourg following the Valuation Day.</p>
<b>Publication of the NAV</b>	> At the SICAV's registered office.
<b>Listing on the Luxembourg Stock Exchange</b>	> No.

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#### POINTS OF CONTACT

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<b>Subscriptions, redemptions, conversions and transfers</b>	<p>&gt; EUROPEAN FUND ADMINISTRATION          Tel: +352 48 48 80 582          Fax: +352 48 65 61 8002</p>
<b>Document request</b>	<p>&gt; BANQUE DE LUXEMBOURG          Tel: +352 49 924 1  <a href="http://www.banquedeluxembourg.com">www.banquedeluxembourg.com</a></p>

## BL FUND SELECTION – ALTERNATIVE STRATEGIES

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### INVESTMENT POLICY

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**Objective of the sub-fund** > To generate capital gains over the long term.

**Investment policy** > Up to and including 21 May 2017:

This flexible sub-fund invests, without geographic, sector or monetary restrictions, at least 51% of its net assets in UCITS or other UCIs investing in different asset classes. The majority of these UCITS or other UCIs are specialised in investment strategies that are considered as alternative. The underlying UCITS or other UCIs may have short positions. Underlying funds will have a short position when they sell, through a delivery of a borrowed position, a security that they do not own or when they conclude derivative contracts (e.g. swaps or futures). The remaining assets may be invested in cash or in any type of fixed-and/or variable-income transferable securities listed or traded on a regulated market.

The proportion invested in the different asset classes will vary according to market conditions.

The sub-fund may invest in derivatives for hedging purposes or in order to optimise the portfolio, in compliance with the provisions of sections 5. and 6. of the Prospectus, (such as bond futures, equity index futures, forward exchange contracts on convertible or non-convertible currencies, options traded on regulated markets, etc.).

From 22 May 2017:

This flexible sub-fund has at least 51% of its net assets invested, with no geographical, sectorial or monetary restrictions, in UCITS or other UCIs that invest in various asset classes. The majority of these UCITS or other UCIs are specialised in investment strategies that are deemed to be alternative investment strategies. The underlying UCITS or other UCIs may be required to have short positions. The underlying funds shall have a short position when they sell a security that they do not own through the delivery of a borrowed position, or when they enter into derivative contracts (such as swaps or futures).

The remaining assets may be invested in:

- money market instruments;
- any type of fixed and/or variable-income transferable security listed or traded on a regulated market;
- structured products on precious metals.

In accordance with Article 41 (1) a) – d) and 41 (2) a) of the Law of 2010 and Article 2 of the Grand-Ducal Regulation of 8 February 2008, as well as point 17 of the CESR/07-044b guidelines, structured products will be categorised as transferable securities.

Structured products on precious metals will exclusively be Exchange Traded Commodities (“ETCs”) on precious metals, provided that these products do not contain embedded derivatives (in accordance with Article 10 of the CESR/07-044

guidelines on assets eligible for UCITS investments) and do not lead to a physical delivery of the underlying metal. These ETCs may represent up to 25% of net assets.

The proportion of asset classes may vary depending on market conditions.

For the purposes of hedging or optimising the portfolio, and in accordance with the provisions of Chapters 5 and 6 of the Prospectus, the sub-fund may invest in derivatives (such as futures on bonds, futures on equity indices, forward exchanges on convertible or non-convertible currencies or options traded on regulated markets).

**Reference currency** > EUR

**Investment horizon** > More than 6 years.

The investment policy of the sub-fund is intended for investors who have an interest in the financial markets and who are seeking long-term capital gains. Investors should be prepared to accept significant losses due to price fluctuations on the stock markets.

**Risk management** Commitment-based approach

**Risk factors** Investors are advised to consult section 7. of this prospectus "Risks associated with an investment in the SICAV" for information about the potential risks associated with an investment in this sub-fund.

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## INVESTMENT MANAGER

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**Investment manager** > BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A., Luxembourg, subject to supervision by the COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (CSSF), Luxembourg.

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## FEES AND CHARGES PAYABLE BY THE SHAREHOLDER

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**Subscription fee** > Maximum 5% of the amount subscribed, payable to the entities and agents involved in the distribution and placement of shares. It is the responsibility of each distributor to determine the subscription fee payable.

**Redemption fee** > None.

**Conversion fee** > None.

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## FEES AND EXPENSES PAYABLE BY THE SUB-FUND

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**Management fee** > Maximum 0.7% p.a., calculated quarterly on the basis of the average net assets of the sub-fund for the quarter in question.

**Management fee applicable to target funds** > Maximum 2.50% p.a. of the net assets invested in the target fund. Any refunded management fees from a target fund shall be credited to the sub-fund.



**Remuneration of the Custodian (excluding transaction costs and correspondent bank fees)**

- > Maximum custody fee of 0.04% p.a. based on the sub-fund's average net assets.
- Maximum depositary fee of 0.02% p.a. based on the sub-fund's average net assets, with a minimum of EUR 1,250 per month per sub-fund.
- Maximum cash flow monitoring fee of EUR 800 per month for the sub-fund.
- Representative and transaction fees are invoiced separately.
- The fees above are expressed exclusive of VAT.

**Other Management Company fees and Central Administration fees**

- > Maximum 0.07% p.a., payable quarterly and calculated on the basis of the average net assets of the sub-fund during the relevant quarter, with a minimum not exceeding EUR 70,000 p.a.

**Other fees and expenses**

- > The sub-fund shall also pay other operating expenses, as described in Article 31 of the SICAV's Articles of Incorporation.

## DISTRIBUTION OF SHARES

**Share classes offered for subscription**

Share class	ISIN code	Currency
B	LU1526088379	EUR
B USD Hedged	LU1600641457	USD

**Form of the shares**

- > Shares may be issued in the form of:
  1. registered shares in the name of the investor in the shareholders' register, or
  2. uncertificated bearer shares and/or bearer shares in the form of a global certificate held in custody by a clearing and settlement system.

The SICAV will no longer issue bearer units in physical form.

Investors are advised to consult the chapter "Description of shares, shareholders' rights and distribution policy" in the Prospectus to find out the eligibility criteria for share classes. For the B USD HEDGED share class, the aim is to hedge the currency risk relative to the sub-fund's base currency. However, the SICAV cannot guarantee that the currency risk relative to the sub-fund's base currency is fully hedged at all times, meaning that residual currency risk cannot be excluded.

**Minimum initial subscription**

Share class	Minimum initial subscription
B	-
B USD Hedged	-

The SICAV's Board of Directors may at its sole discretion decide to accept all the subscription requests received on a given Valuation Day without applying the minimum initial subscription requirement.

<b>Subscriptions, redemptions and conversions</b>	<p>&gt; Subscription, redemption and conversion requests received by EUROPEAN FUND ADMINISTRATION before 12.00 p.m. on a Valuation Day are accepted at the NAV of that Valuation Day, subject to the payment of fees indicated above in the sections "FEES AND CHARGES PAYABLE BY THE SHAREHOLDER" and "FEES AND EXPENSES PAYABLE BY THE SUB-FUND".</p> <p><i>Subscriptions, redemptions and conversions must be paid up no later than four full bank business days in Luxembourg following the Valuation Day.</i></p>
<b>Valuation Day</b>	<p>&gt; Each full bank business day in Luxembourg.</p> <p>The Net Asset Value will be calculated based on the last closing prices available on the Valuation Day and will actually be determined on the second bank business day in Luxembourg following the Valuation Day.</p>
<b>Publication of the NAV</b>	<p>&gt; At the SICAV's registered office.</p>
<b>Listed on the Luxembourg Stock Exchange</b>	<p>&gt; No.</p>

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#### POINTS OF CONTACT

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<b>Subscriptions, redemptions, conversions and transfers</b>	<p>&gt; EUROPEAN FUND ADMINISTRATION Tel.: +352 48 48 80 582 Fax: +352 48 65 61 8002</p>
<b>Document request</b>	<p>&gt; BANQUE DE LUXEMBOURG Tel.: +352 49 924 1 <a href="http://www.banquedeluxembourg.com">www.banquedeluxembourg.com</a></p>

**BL FUND SELECTION**

**Articles of Incorporation**

## TITLE I. - NAME - REGISTERED OFFICE - DURATION - CORPORATE OBJECT

### Art. 1. Name

A *société anonyme* (public limited company) exists between the subscriber(s) and all those who subsequently become shareholders, which operates in the form of a *Société d'investissement à capital variable* (SICAV - open-ended investment company) with multiple sub-funds under the name **BL FUND SELECTION** (the "Company"). The Company is also authorised to use **Banque de Luxembourg Fund Selection** as its trading name in the course of its business.

### Art. 2. Registered office

The Company's registered office is located in Luxembourg City in the Grand Duchy of Luxembourg. The Company may establish branch offices or agencies in the Grand Duchy of Luxembourg and abroad by an ordinary resolution of the Board of Directors. Within the municipality of Luxembourg, the registered office may be moved to another location by ordinary resolution of the Board of Directors. If so permitted by the law, the Board of Directors may also decide to transfer the Company's registered office to another location in the Grand Duchy of Luxembourg.

If exceptional political or military events occur which, in the opinion of the Board of Directors, may compromise the normal business activity of the company at its registered office or if normal communication with that registered office or communication between the registered office and abroad is obstructed or appears likely to be obstructed, the Board of Directors may temporarily relocate the registered office abroad until the complete cessation of this abnormal situation. This temporary measure shall have no effect on the nationality of the Company, which, notwithstanding such temporary transfer, shall remain of Luxembourg nationality.

### Art. 3. Duration

The Company is established for an indefinite duration. It may be dissolved by a resolution of the General Meeting of Shareholders ruling in the same manner as for an amendment to the Articles of Incorporation.

### Art. 4. Object

The sole object of the Company is to invest the funds at its disposal in transferable securities, money market instruments and other assets authorised by Part I of the Law of 17 December 2010 on undertakings for collective investment (the "Law of 2010"), with the aim of spreading investment risks and enabling its shareholders to benefit from the income generated from the management of its portfolio. The Company may take any measures and carry out any operations that it deems useful for achieving and developing its object in the broadest sense as laid down by Part I of the Law of 2010.

## TITLE II. - SHARE CAPITAL - CHARACTERISTICS OF THE SHARES

### Art. 5. Share capital

The Company's capital consists of fully paid-up shares without a nominal value. The Company's capital is expressed in euro and shall at all times be equal to the equivalent in euro of the net assets of all the Company's sub-funds, as defined in Article 13 of these Articles of Incorporation. The minimum share capital of the Company is one million two hundred and fifty thousand euro (EUR 1,250,000.00), or the equivalent amount in the currency of the share capital. The minimum share capital must be reached within a period of six months of the Company's approval.

### Art. 6. Sub-funds and share classes

At the choosing of the Board of Directors, the shares may belong to different sub-funds (which may, at the choosing of the Board of Directors, be denominated in different currencies), and the proceeds of the issuance of shares of each sub-fund shall be invested in accordance with the

investment policy determined by the Board of Directors, the investment restrictions laid down by the Law of 2010 and determined, where applicable, by the Board of Directors.

The Board of Directors may decide, for any sub-fund, to create share classes whose characteristics are described in the Company's prospectus (the "Prospectus").

The shares of one class may differ from shares of one or more other classes as a result of features such as (but not limited to) fee structure, dividend policy or hedging of specific risks, to be determined by the Board of Directors. If classes are created, references to the sub-funds in these Articles of Incorporation must, if necessary, be interpreted as references to these classes.

Each whole share confers on its holder a right to vote at the General Meeting of Shareholders.

The Board of Directors may decide to divide or consolidate the shares of a sub-fund or share class of the Company.

## **Art. 7. Form of the shares**

The shares are issued without par value and are fully paid-up. Each share, regardless of the sub-fund and share class to which it belongs, may be issued:

1. as a registered share, made out in the name of the subscriber, documented by entry of the subscriber in the shareholders' register. The addition of the subscriber to the register may be confirmed in writing. No certificate of registration will be issued.

The shareholders' register is maintained by the Company or by one or more legal entities who are appointed by the Company for this purpose. The entry includes indication of the name of each owner of registered shares, their place of residence or their elected domicile and the number of registered shares in their possession. All transfers of registered shares, whether *inter vivos* or due to inheritance, shall be recorded on the register of shareholders.

If a shareholder does not provide the Company with an address, a note is made in the shareholders' register in this regard and it is assumed that the address of this shareholder is located at the registered office or any other address that is determined by the Company, until this shareholder of the Company has provided a new address. The shareholder can have the address entered on the shareholders' register changed at any time by a declaration sent in writing to the Company's registered office or by any other means deemed acceptable by the Company.

The named shareholder shall be responsible for notifying the Company of any change to the personal details stated on the register of shareholders, so that the Company can update these personal details.

2. in the form of bearer shares, either in book-entry form or in the form of certificates. The Board of Directors may decide, for one or more sub-funds or for one or more share classes, that bearer shares shall be issued only in the form of global share certificates deposited with reputable clearing systems. The Board of Directors may also decide that bearer shares may be represented by individual or collective bearer share certificates in the forms and denominations decided by the Board of Directors, but never for less than a whole number of shares. Any subscription proceeds that exceed a whole number of bearer shares will be automatically refunded to the subscriber. Costs for the for physical delivery of individual and/or collective bearer share certificates may be charged to the applicant prior to dispatch, which may itself be subject to advance payment of the postal charges involved. If an owner of bearer shares applies for the exchange of his share certificates against share certificates in other denominations, the costs of this conversion may also be charged to him.

A shareholder may request the conversion of his bearer shares into registered shares, and the reverse, at any time. In this case, the Company shall be entitled to charge the costs incurred to the shareholder.

If so permitted by the law and regulations in Luxembourg, the Board of Directors may, at its sole discretion, impose the conversion of bearer shares into registered shares, subject to publishing an announcement to this effect in one or more daily newspapers of its choice beforehand.

Bearer share certificates shall be signed by two directors. Both signatures may be handwritten, printed or affixed with a signature stamp. However, one of the signatures may be affixed by a person appointed for that purpose by the Board of Directors; in this case and if so required by law, it must be handwritten. The Company may issue temporary certificates in a form to be determined by the Board of Directors.

Fractions of shares may be issued, to the extent stipulated in the Prospectus. Rights relating to share fractions are exercised pro rata to the fraction held by the shareholder, except with respect to voting rights, which may only be exercised for a whole number of shares.

The Company only acknowledges one holder per share. If there are several holders of a share, the Company shall be entitled to suspend the exercising of all rights attached thereto until one single person has been designated as the shareholder.

## **Art. 8. Issue and subscription of shares**

The Board of Directors shall be entitled to issue additional fully paid-up shares within each sub-fund, at any time and without restriction, without granting a preferential right to the existing shareholders.

If the Company offers shares for subscription, the price of the shares offered shall correspond to the net asset value of these shares, irrespective of the sub-fund and share class in which these shares are issued, as calculated according to these Articles of Incorporation. Subscriptions shall be accepted on the basis of the price set for the applicable Valuation Day, as laid down in the Company's Prospectus. Charges and fees, including for dilution, may be added to this price, as stipulated in the Prospectus. The price thus determined shall be payable within the customary time frames, as described in greater detail in the Prospectus, starting on the relevant Valuation Day.

Unless stipulated to the contrary in the Prospectus, subscription requests may be expressed as a number of shares or as an amount.

Subscription requests accepted by the Company shall be binding upon the subscriber, other than when calculation of the shares' net asset value has been suspended. However, the Board of Directors may, but shall not be obliged to, agree to change or cancel a subscription request in the event of a manifest error by the subscriber, provided that this change or cancellation is not detrimental to the Company's other shareholders. Similarly, the Company's Board of Directors shall be entitled, but is not under any obligation, to cancel the subscription request if the custodian has not received payment of the subscription price within the usual time frames, as described in greater detail in the Prospectus, starting on the relevant Valuation Day. Any payment of the subscription price already received by the custodian at the time of deciding to cancel the subscription request shall be returned to the subscribers concerned, with no interest applicable.

The Company's Board of Directors may also decide, at its own discretion, to cancel an initial offer for shares for subscription for a sub-fund or one or more share classes. In such an event, subscribers that have already submitted subscription requests shall be informed in the appropriate manner and, as an exception to the preceding paragraph, the subscription requests received shall be cancelled. Any payment of the subscription price already received by the custodian shall be returned to the subscribers concerned, with no interest applicable.

In general, if the Company's Board of Directors rejects a subscription request, any payment of the subscription price already received by the custodian at the time of deciding to reject the subscription request shall be returned to the subscribers concerned, with no interest applicable, unless legal or regulatory provisions prevent or prohibit returning the subscription payment.

Shares shall be issued only on acceptance of a corresponding subscription request. For shares issued following acceptance of a corresponding subscription request, for which the Company has still not received part or all of the subscription price, the subscription price or the part thereof not yet received by the Company shall be treated as a debt owed to the Company by the subscriber concerned.

Subject to receipt of payment of the subscription price in full, delivery of individual and/or collective bearer share certificates, if required, will normally take place within the customary time frames.

Subscriptions may also be made by a contribution of transferable securities or authorised assets other than cash, subject to the approval of the Board of Directors, which may refuse to accept the contribution, at its sole discretion and without having to explain its decision. These transferable securities and other authorised assets must be in line with the investment policy and restrictions as defined for each sub-fund. They are valued in accordance with the valuation principles laid down in the Prospectus and these Articles of Incorporation. If so required by the Law of 10 August 1915, as amended, on commercial companies or by the Board of Directors, these contributions shall be described in a report drawn up by the Company's approved statutory auditor. The charges relating to a contribution in kind shall be borne by the Company only if the Board of Directors considers this contribution in kind to be beneficial for the Company, in which case these costs may be borne partially or in full by the Company.

The Board of Directors may delegate the responsibility for accepting subscriptions and payment of the price of new shares to be issued to any director or other legal representative duly authorised by the Company for that purpose.

All subscriptions of new shares must be fully paid-up, otherwise they are declared invalid. Issued shares shall carry the same rights as shares already in existence on the day of issue.

The Board of Directors may reject subscription requests at any time, at its sole discretion and without having to explain its decision.

#### **Art. 9. Redemption of shares**

Each shareholder has the right to request that the Company redeem all or part of their shares at any time.

A share's redemption price shall be equal to its net asset value as determined for each share class, in accordance with these Articles of Incorporation. Redemptions shall be based on the price determined, in accordance with the Prospectus, on the applicable Valuation Day. The redemption price may be reduced by redemption fees or dilution charges and fees stipulated in the Prospectus. Redemptions must be settled in the currency of the share class within the customary time frames, as described in more detail in the Prospectus and starting on the applicable valuation day, or the date on which the Company receives the share certificates if this is later.

The Company and the Board of Directors shall not be held liable in the event of a delay or failure in paying the redemption price if such delay or failure results from the introduction of foreign exchange controls or other circumstances beyond the control of the Company and/or the Board of Directors.

Redemption requests must be sent by the shareholder (i) in writing to the registered office of the Company or to another legal entity appointed for the redemption of shares or (ii) by a request submitted by any electronic means deemed acceptable by the Company. It must state the name of the investor, the sub-fund, the class and the number of shares or amount to be redeemed, together with instructions for paying the redemption price and/or any other information indicated in the Prospectus or the redemption form available on request from the Company's registered office or from another legal entity appointed to handle share redemptions. For the redemption price to be paid, redemption requests must be accompanied, where applicable, by the individual and/or collective bearer share certificate(s) issued, any other documents required to process the transfer together with any additional documents and information requested by the Company or by any other person authorised by the Company.

Redemption requests accepted by the Company shall be binding upon the shareholder requesting the redemption, other than when calculation of the shares' net asset value has been suspended. However, the Board of Directors may, but shall not be obliged to, agree to change or cancel a redemption request in the event of manifest error by the shareholder requesting the

redemption, provided that this change or cancellation is not detrimental to the Company's other shareholders.

Shares redeemed by the Company will be cancelled.

Subject to the approval of the shareholder(s) concerned and in compliance with the principle of equal treatment of shareholders, the Board of Directors may from time to time decide to make payments in kind by allocating transferable securities or securities other than transferable securities and cash from the portfolio of the sub-fund concerned, equal in value to the redemption price of the shares, to the shareholder(s) having requested the redemption of their shares. If so required by the law and the applicable regulations or by the Board of Directors, any payment in kind shall be evaluated in a report drawn up by the Company's approved statutory auditor and shall be carried out fairly. The additional costs generated by such redemptions in kind shall be borne by the shareholders concerned, unless the Board of Directors considers these redemptions in kind to be beneficial for the Company, in which case these additional costs may be borne partially or in full by the Company.

The Board of Directors may delegate the responsibility for accepting redemptions and payment of the price of new shares to be redeemed to (i) any director or (ii) other legal entity duly authorised by the Company for that purpose.

In the event of redemption and/or conversion requests in respect of a sub-fund for 10% or more of the sub-fund's net assets or a threshold below 10% deemed appropriate by the Board of Directors, the Company's Board of Directors may either:

- postpone payment of the redemption price for such requests until such time that the Company has sold the necessary assets and has the proceeds of these sales at its disposal;
- postpone all or some of these requests to a later Valuation Day set by the Board of Directors, as soon as the Company has sold the necessary assets, taking into consideration the interests of all the shareholders and that it has the proceeds of these sales at its disposal. These requests shall be handled with priority over all other requests.

The Company may also postpone payment of all redemption and/or conversion requests concerning a sub-fund:

- if one of the stock markets or other markets to which the sub-fund concerned is heavily exposed, in the opinion of the Board of Directors, is closed; or

if transactions on the stock markets or other markets to which the sub-fund concerned is heavily exposed, in the opinion of the Board of Directors, are restricted or suspended.

If following the acceptance and execution of a redemption request the value of the remaining shares held by the shareholder in a sub-fund or share class falls below the minimum amount that may be set by the Board of Directors for the sub-fund or share class, the Board of Directors shall be entitled to assume that this shareholder has requested the redemption of all the shares held in this sub-fund or share class. In such cases the Board of Directors may, at its sole discretion, force the redemption of the remaining shares held by the shareholder in the sub-fund or class concerned.

## **Art. 10. Conversion of shares**

Every shareholder has the right, subject to any restrictions that may be imposed by the Board of Directors, to convert from one sub-fund or share class to another sub-fund or share class and to request the conversion of shares that they hold in one sub-fund or share class into shares of another sub-fund or share class.

The conversion is based on the net asset values, as determined in accordance with these Articles of Incorporation, of the share class or classes of the sub-funds concerned on the shared valuation day set in accordance with the provisions of the Prospectus and taking into account, where applicable, the exchange rate prevailing between the currencies of the two sub-funds or share classes on the said valuation day. The Board of Directors may apply restrictions that it deems



necessary with respect to the frequency of conversions. It may subject conversions to the payment of fees which it shall reasonably determine.

Conversion requests accepted by the Company shall be binding upon the shareholder requesting the conversion, other than when calculation of the net asset value of the shares concerned by the conversion has been suspended. However, the Board of Directors may, but shall not be obliged to, agree to change or cancel a conversion request in the event of manifest error by the shareholder requesting the conversion, provided that this change or cancellation is not detrimental to the Company's other shareholders.

Conversion requests must be sent by the shareholder (i) in writing to the registered office of the Company or to another legal entity appointed for the conversion of shares or (ii) by a request submitted by any electronic means deemed acceptable by the Company. Orders must state the name of the investor, the sub-fund and share class held and the number of shares or amount to be converted, as well as the sub-fund and share class to be obtained in exchange and/or any other information indicated in the Prospectus or the conversion form available on request from the Company's registered office or from another legal entity appointed to handle share conversions. Where applicable it must be accompanied by the individual and/or collective bearer share certificates issued. If individual and/or collective bearer share certificates can be issued for the shares of the class into which the conversion is being carried out, new individual and/or collective bearer share certificates may be given to the shareholder in question if expressly requested.

The Board of Directors may set a minimum conversion threshold for each share class. This threshold may be set by number of shares and/or amount.

In relation to fractions of shares created as a result of the conversion, the Board of Directors may decide to attribute said fractions or to pay the corresponding cash amount to shareholders requesting a conversion.

Shares which have been converted into other shares shall be cancelled.

The Board of Directors may delegate the responsibility for accepting conversions and paying or receiving the price of converted shares to any director or other legal entity duly authorised by the Company for that purpose.

In the event of redemption and/or conversion requests in respect of a sub-fund for 10% or more of the sub-fund's net assets or a threshold below 10% deemed appropriate by the Board of Directors, the Company's Board of Directors may either:

- postpone payment of the redemption price for such requests until such time that the Company has sold the necessary assets and has the proceeds of these sales at its disposal;
- postpone all or some of these requests to a later Valuation Day set by the Board of Directors, as soon as the Company has sold the necessary assets, taking into consideration the interests of all the shareholders and that it has the proceeds of these sales at its disposal. These requests shall be handled with priority over all other requests.

The Company may also postpone payment of all redemption and/or conversion requests concerning a sub-fund:

- if one of the stock markets or other markets to which the sub-fund concerned is heavily exposed, in the opinion of the Board of Directors, is closed; or
- if transactions on the stock markets or other markets to which the sub-fund concerned is heavily exposed, in the opinion of the Board of Directors, are restricted or suspended.

The Board of Directors may refuse any conversion request for an amount lower than the minimum conversion amount, such as may have been set by the Board of Directors and indicated in the Prospectus.

If following the acceptance and execution of a conversion request the value of the remaining shares held by the shareholder in the sub-fund or share class from which the shareholder wants to switch falls below the minimum amount that may be set by the Board of Directors for the sub-

fund or share class, the Board of Directors shall be entitled to assume that this shareholder has requested the conversion of all the shares held in this sub-fund or share class. In such cases the Board of Directors may, at its sole discretion, force the conversion of the remaining shares held by the shareholder in the sub-fund or class from which the conversion is requested.

#### **Art. 11. Transfer of shares**

All transfers of registered shares, whether *inter vivos* or due to inheritance, shall be recorded on the register of shareholders.

Transfers involving bearer shares represented by individual and/or collective bearer share certificates shall be executed by transferring the corresponding individual and/or collective bearer share certificates.

Bearer shares represented by global equities certificates deposited in clearing systems will be transferred by registering the share transfer with the clearing organisations in question.

Registered shares shall be transferred by entry on the register subsequent to the handover to the Company of the transfer documents requested by the Company, including a written transfer declaration entered on the register of shareholders, dated and signed by the transferor and the transferee, or by their representatives who can provide the necessary powers of attorney.

The Company may consider the bearer to be the owner of the shares in the case of bearer shares, and in the case of registered shares consider the person in whose name the shares are recorded on the register of shareholders to be the owner of the shares. The Company may not be held liable in respect of third parties as a result of transactions involving these shares and shall be entitled to disregard all rights, interests or claims of any other person over these shares. However, these provisions shall not prevent those who are so entitled from requesting the entry of registered shares on the register or a change to the entry on the register of shareholders.

#### **Art. 12. Restrictions on the ownership of shares**

The Company may restrict, block or prohibit the ownership of the Company's shares by any natural person or legal entity, including US Persons as defined below.

Furthermore, the Company may impose any restrictions that it deems necessary in order to ensure that none of the Company's shares are acquired or held by (a) a person in breach of the laws or requirements of any country or government authority or (b) any person whose situation could, in the opinion of the Board of Directors, cause the Company or its shareholders to run the risk of legal, tax or financial implications that it or they would not otherwise have incurred or (c), a US Person; (all the persons covered by (a), (b) and (c) are referred to hereinafter as "Prohibited Persons").

To this effect:

1. The Company may refuse the issue of shares and the registration of the transfer of shares when it appears that such issue or transfer has or could have the result of attributing the ownership of shares to a Prohibited Person;
2. The Company may request that any person entered in the shareholders' register, or any other person requesting to register a transfer of shares therein, provide it with any information and certificates it deems necessary, where applicable supported by a sworn declaration, for the purpose of determining whether these shares are or will be effectively owned by a Prohibited Person;
3. The Company may force the redemption of the shares if it appears that a Prohibited Person, either individually or jointly with other persons, is the owner of shares of the Company, or if it appears that the confirmations given by a shareholder were incorrect or are no longer correct. In this case, the following procedure shall apply:
  - a) The Company shall send a notice (hereinafter "redemption notice") to the shareholder that owns the shares or appears on the register of shareholders as being the owner of the shares; the redemption notice shall state the shares to be redeemed, the redemption price

payable and the place where such price shall be paid to the shareholder. The redemption notice may be sent to the shareholder by registered mail to his last-known address or to the address recorded in the register of shareholders. The shareholder in question must return the individual and/or collective bearer share certificate(s) specified in the redemption notice immediately.

From close of business on the day specified in the redemption notice, the shareholder in question shall cease to be the owner of the shares specified in the redemption notice; in the case of registered shares, his name shall be removed from the register of shareholders and, in the case of bearer shares, the individual and/or collective bearer share certificate(s) representing these shares shall be cancelled in the Company's records.

- b) The price at which the shares specified in the redemption notice shall be redeemed (the "redemption price") shall be equal to the redemption price based on the net asset value of the Company's shares (reduced, where applicable, in the manner provided for in these Articles of Incorporation) immediately prior to the redemption notice. As of the date of the redemption notice, the shareholder concerned shall lose all the rights of a shareholder.
  - c) The redemption price shall be paid in the currency chosen by the Board of Directors. The redemption price shall be deposited by the Company for the account of the shareholder with a bank in Luxembourg or elsewhere, as specified in the redemption notice, which will forward it to the shareholder concerned in return for the certificate(s) specified in the redemption notice. As soon as the redemption price has been paid in accordance with these conditions, the former owner of the shares mentioned in the redemption notice shall no longer be able to exercise the right attached to any such shares or take any action against the Company and its assets, with the exception of the right of the shareholder who appears to be the owner of the shares to receive the redemption price deposited (without interest) at the bank in exchange for the certificates indicated in the redemption notice.
  - d) The exercise by the Company of the powers conferred in this Article shall under no circumstances be challenged or invalidated on the grounds that there was insufficient proof of ownership of the shares by a certain person, or that a share belonged to a person other than the person acknowledged by the Company in sending the redemption notice, subject to the proviso that the Company is exercising its powers in good faith.
4. The Company may withdraw, at any General Meeting of Shareholders, the right to vote from any Prohibited Person and from any shareholder who has been issued a redemption notice for the shares specified in the redemption notice.

The term "US Person", as used in these Articles of Incorporation, refers to any citizen or resident of the United States of America or territories subject to its jurisdiction, or any persons normally resident there (including the estate of any individual, company or other entity established or organised there). If necessary, this definition may be revised by the Board of Directors and indicated in the Prospectus.

If the Board of Directors becomes aware or reasonably suspects that a shareholder continues to hold shares while no longer fulfilling the holding conditions provided for the sub-fund or share class in question, the Company may:

- force the redemption of the shares in question in accordance with the redemption procedure described above; or
- force the conversion of the shares into shares of another class within the same sub-fund whose holding conditions the shareholder concerned fulfils (provided that a class with similar characteristics in terms of, inter alia, investment objective, investment policy, reference currency, frequency of net asset value calculation and dividend policy exists). The Company shall notify the relevant shareholder of this conversion.

## **Art. 13. Calculation of the net asset value of shares**

The net asset value of a share, regardless of the sub-fund and class for which it was issued, shall be determined in the currency specified by the Board of Directors by a figure obtained by dividing, on the valuation day defined in these Articles of Incorporation, the net assets of the sub-fund or class concerned by the number of shares issued for this sub-fund and share class.

**The valuation of the different sub-funds' net assets will be carried out as follows:**

The net assets of the Company shall be composed of the assets of the Company as defined hereafter less the liabilities of the Company as defined hereafter on the Valuation Day on which the net asset value of the shares is determined.

**I. The assets of the Company include:**

- a) cash in hand and on deposit, including accrued, unmatured interest;
- b) all bills payable at sight and accounts receivable (including uncollected proceeds from the sale of securities);
- c) all securities, units, shares, bonds, option or subscription rights and other investments and securities owned by the Company;
- d) all dividends and distributions receivable by the Company in cash or securities and of which the Company could reasonably be aware (the Company may nevertheless make adjustments to take account of fluctuations in the market value of the securities caused by practices such as ex-dividend or ex-rights trading);
- e) all accrued, unmatured interest on securities owned by the Company, unless, however, this is included in the principal of these securities;
- f) any unamortised portion of the SICAV's formation expenses;
- g) all other assets of any kind, including expenses paid in advance.

The value of these assets is determined as follows:

- a) The value of all cash in funds or on account, bill credits, sight drafts and receivables, prepaid expenses, dividends and interest declared or accrued but not yet collected is calculated at the nominal value of these assets, unless, however, it is unlikely that the value is received; in the latter case, the value is determined by the Company making an appropriate deduction, at its own discretion, to represent the actual value of these assets.
- b) The value of all transferable securities, money market instruments and financial derivatives that are listed on an exchange or traded on any other regulated market that operates regularly and is recognised and open to the public shall be determined according to the last available price.
- c) If Company investments are listed on a stock exchange or traded on another regulated market that operates regularly and is recognised and open to the public and traded by market makers outside the stock market on which the investments are listed or the market on which they are traded, the Board of Directors may determine a principal market for the investments in question, which shall thereafter be valued at the last price available on this market.
- d) Financial derivatives not listed on an official stock exchange or traded on any other regulated market that operates regularly and is recognised and open to the public shall be valued in accordance with market practice, as may be described in greater detail in the Prospectus.
- e) Cash and money market instruments may be valued at their nominal value plus an interest rate, or on the basis of their discounted cost. Where practical, all the other assets may be valued on the same basis.
- f) The value of units representing any open-ended undertaking for collective investment shall be determined using the last official net asset value per unit or the last net asset value estimate if this value is more recent than the official net asset value, provided that the Company is guaranteed that the valuation method used for this estimate is consistent with that used for the calculation of the official net asset value.
- g) In so far as:

- transferable securities, money market instruments and/or financial derivatives in the portfolio on the Valuation Day not listed or traded on a stock exchange or on another regulated market that operates regularly and is recognised and open to the public; or
- transferable securities, money market instruments and/or financial derivatives listed and traded on a stock exchange or other such market whose prices determined according to paragraph b) do not, in the opinion of the Board of Directors, reflect the true value of these transferable securities, money market instruments and/or financial derivatives; or
- financial derivatives traded over the counter and/or securities that represent undertakings for collective investment whose prices determined according to paragraphs d) or f) do not, in the opinion of the Board of Directors, reflect the true value of the financial derivatives or securities that represent undertakings for collective investment,

the Board of Directors shall estimate their probable market value prudently and in good faith.

- h) Securities expressed in a currency other than that of the respective sub-funds are converted at the last-known exchange rate. If these rates are not available, the exchange rate shall be determined in good faith.
- i) If the valuation principles described above do not reflect the valuation method used universally in the specific markets or if these valuation principles do not appear to be sufficiently accurate for determining the value of the Company's assets, the Board of Directors may set other valuation principles in good faith and in compliance with generally accepted valuation principles and methods.
- j) If, due to exceptional circumstances, it is impossible or would be inappropriate to value the Company's assets using the above criteria, the Board of Directors shall be authorised to adopt any other appropriate principle for valuing the Company's assets.
- k) In circumstances where the interests of the Company or its shareholders justify it (to avoid market timing, for example), the Board of Directors may take any appropriate measures to adjust the value of the Company's assets, such as applying a fair price fixing method, as described in greater detail in the Prospectus.

## **II. The liabilities of the Company include:**

- a) all borrowings, bills and accounts due;
- b) all costs, matured or due, including the remuneration of investment advisers, investment managers, the Management Company, custodian, central administration, domiciliary agent and authorised agents and representatives of the Company;
- c) all known liabilities, whether matured or otherwise, including all matured contractual obligations concerning payments in cash or in kind, including the amount of dividends announced by the Company but not yet paid, when the Valuation Day coincides with the date on which it is decided which person is or will be entitled to such payment;
- d) an appropriate provision for the *taxe d'abonnement* (subscription tax) and other taxes on capital and income accruing up to the Valuation Day and determined by the Board of Directors, and other provisions authorised or approved by the Board of Directors;
- e) any other type of Company liability whatsoever, excluding those liabilities represented by the Company's shares. When calculating these liabilities, the Company shall include all expenses for which it is liable, including the charges and fees described in Article 31 of these Articles of Incorporation. When calculating the liabilities, the Company may take into account administrative and other expenses of a regular or periodic nature by estimating them over the year or any other period and spreading the amount proportionally over this period.

## **III. The net assets** attributable to all the shares of a sub-fund are composed of the assets of the sub-fund less the liabilities of the sub-fund on the Valuation Day on which the net asset value of the shares is determined.

Without prejudice to the applicable legal and regulatory provisions or a decision by the Board of Directors of the Company, the net asset value of the shares shall be definitive and

binding upon subscribers, shareholders that have asked for their shares to be redeemed or converted, and other shareholders of the Company.

If, after market closure on a given Valuation Day, a significant change affects the prices in the markets on which a substantial part of the Company's assets are listed or traded, or a significant change affects the Company's debts and liabilities, the Board of Directors may, but shall not be obliged to, calculate a net asset value per share adjusted for this valuation day that reflects the changes in question. The adjusted net asset value per share shall be binding upon subscribers, investors that have asked for their shares to be redeemed or converted and other shareholders of the Company.

When subscriptions or redemptions are carried out with respect to shares of a specific class within a given sub-fund, the net assets of the sub-fund attributable to all the shares of that class are increased or reduced by the net amounts received or paid by the Company as a result of these subscriptions or redemptions.

**IV.** For each sub-fund, the Board of Directors shall establish a pool of assets that will be attributed to the shares issued for the sub-fund concerned in the manner stipulated below, in accordance with the provisions of this Article. To this effect:

1. The proceeds arising from the issue of shares of a given sub-fund shall be attributed to this sub-fund in the Company's books and the assets, liabilities, income and fees relating to this sub-fund shall be attributed thereto.
2. When an asset is derived from another asset, the latter shall be attributed, in the Company's books, to the same sub-fund as the asset from which it is derived, and each time that an asset is revalued, the increase or decrease in its value shall be attributed to the sub-fund to which it belongs.
3. When the Company bears a liability that is associated with an asset of a given sub-fund or with a transaction carried out with respect to an asset of a given sub-fund, this liability shall be attributed to this sub-fund;
4. In the event that an asset or a liability of the Company cannot be attributed to a given sub-fund, this asset or liability shall be attributed to all the sub-funds in proportion to the net values of the shares issued for the different sub-funds.
5. Following the payment of dividends on distribution shares of a given sub-fund, the net asset value of this sub-fund attributable to these distribution shares shall be reduced by the amount of these dividends.
6. If several share classes have been created within a sub-fund in accordance with these Articles of Incorporation, the allocation rules described above shall apply to these classes *mutatis mutandis*.

**V. For the purposes of this Article:**

1. each share of the Company which is to be redeemed will be considered an issued and existing share until the close of the Valuation Day applicable to the redemption of this share, and, from this day and until the price is paid, its price will be treated as a liability of the Company;
2. each share to be issued by the Company in compliance with subscription orders received will be treated as issued from the close of the Valuation Day on which the issue price is determined and this price will be treated as an amount owed to the Company until the subscription is settled;
3. all investments, cash balances or other assets of the Company expressed in a currency other than the respective reference currency of each sub-fund shall be valued by taking into consideration the last available exchange rates; and
4. insofar as possible, all purchases or sales of securities contracted by the Company shall be taken into account on the Valuation Day.

**VI. Management of common pools of assets**

1. The Board of Directors may invest and manage all or some of the common pools of assets constituted for one or more sub-funds (hereinafter referred to as the "Participating Funds")

provided that it is appropriate to apply this formula once the investment sectors in question are taken into account. Each extended asset pool (the "Extended Asset Pool") shall first be set up by transferring money or (subject to the restrictions mentioned below) other assets drawn from each of the Participating Funds. The Board of Directors may subsequently make other one-off transfers to the Extended Asset Pool. The Board of Directors may also transfer assets from the Extended Asset Pool to the Participating Fund concerned. Assets other than cash may only be allocated to an Extended Asset Pool if they fall within the investment sector of the Extended Asset Pool concerned.

2. A Participating Fund's contribution to an Extended Asset Pool shall be valued by reference to hypothetical units ("units") of a value equivalent to that of the Extended Asset Pool. When setting up an Extended Asset Pool, the Board of Directors shall determine, at its sole and full discretion, the initial value of a unit, expressed in a currency that the Board of Directors regards as appropriate and which shall be allocated to each Participating Fund unit with a total value equal to the amount of cash (or other assets) contributed. Fractions of units, calculated in the manner specified in the Prospectus, shall be determined by dividing the net asset value of the Extended Pool of Assets (calculated as stipulated below) by the number of outstanding units.
3. If cash or assets are contributed to an Extended Asset Pool or withdrawn from it, the allocation of units of the Participating Fund concerned shall be either increased or decreased, as appropriate, by a number of units calculated by dividing the amount of cash or the value of the assets contributed or withdrawn by the current value of a unit. If a contribution is made in cash, it may be treated for calculation purposes as being reduced by an amount that the Board of Directors deems appropriate in order to reflect the tax liabilities, trading and purchasing costs that are likely to be incurred by investing the cash in question. If cash is withdrawn, a corresponding amount may be added to reflect the likely cost of selling transferable securities and other assets that make up the Extended Asset Pool.
4. The value of the assets contributed, withdrawn or forming part of an Extended Asset Pool at any time and the net asset value of the Extended Asset Pool shall be determined, *mutatis mutandis*, in accordance with the provision of Article 13, provided that the value of the assets mentioned above is calculated on the day on which the said contribution or withdrawal takes place.
5. Dividends, interest and other distributions constituting income earned on the assets of an Extended Asset Pool shall be credited immediately to the Participating Funds in proportion to the respective rights attached to the assets in the Extended Asset Pool at the time they are received.

#### **Art. 14. Frequency and temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of shares**

##### **I. Frequency of the calculation of the net asset value**

To determine the issue, redemption and conversion prices per share, the Company shall calculate the net asset value of the shares of each sub-fund on the day (defined as the "Valuation Day") and at the intervals set by the Board of Directors and specified in the Prospectus.

The net asset value of the share classes of each sub-fund shall be expressed in the reference currency of the share class concerned.

##### **II. Temporary suspension of the calculation of the net asset value**

Without prejudice to the legal causes of suspension, the Company may suspend the calculation of the net asset value of shares and consequently the subscription, redemption and conversion of shares for all the sub-funds or for one or several sub-funds only, should the following circumstances arise:

- during all or part of a period when one of the principal stock exchanges or other markets on which a substantial part of the portfolio of one or several sub-funds is listed is closed other than for ordinary holidays or when trading thereon is restricted or suspended;
- during any situation which constitutes an emergency as a result of which the Company is not able to sell or value the assets of one or more sub-funds;
- if calculation of the net asset value of one or more undertakings for collective investment in which a sub-fund has invested a substantial proportion of its assets is suspended;

- during any breakdown in the means of communication and calculation used to determine the price, the value of the assets or the stock market price of one or more sub-funds, in the conditions defined above in the first point;
- during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of shares of one or more sub-funds or during which any transfer of funds involved in the sale or purchase of investments or payments due on the redemption of shares cannot, according to the Board of Directors, be carried out at normal exchange rates;
- in the event of the publication of (i) an invitation to attend a General Meeting of Shareholders at which the winding up and liquidation of the Company or sub-fund(s) is proposed or (ii) a notice to shareholders notifying them of a decision by the Board of Directors to liquidate one or more sub-funds, or if such a suspension is justified in order to protect the shareholders, (iii) a notice convening a General Meeting of Shareholders to vote on the merger of the Company or one or more sub-funds or (iv) a notice to shareholders notifying them of the Board of Directors' decision to merge one or more sub-funds;
- if for any other reason the value of the assets or the debt and liabilities attributable to the Company or to the sub-fund in question cannot be determined accurately and promptly;
- for a feeder fund, if its master fund temporarily suspends purchases, redemptions or subscriptions of its shares, either on its own initiative or at the request of its competent authorities. This shall apply for a period identical to the suspension period applicable to the master fund;
- any other circumstance where the absence of suspension could cause the Company, one of its sub-funds or its shareholders to incur certain liabilities, financial burdens or any other prejudice that the Company, sub-fund or its shareholders would otherwise not have incurred.

For the sub-funds in question, the Company shall inform shareholders of such suspension of the calculation of the net asset value, in accordance with the laws and regulations in force and using the procedures approved by the Board of Directors. Such a suspension shall have no effect on the net asset value calculation or on the subscription, redemption or conversion of shares of the sub-funds for which the suspension does not apply.

### **III. Restrictions on subscriptions to and conversions into certain sub-funds**

The Company may close a sub-fund to new subscriptions and incoming conversions definitively or temporarily (but not to redemptions or outgoing conversions) if it deems it necessary to protect the interests of existing shareholders.

## **TITLE III. - ADMINISTRATION AND SUPERVISION OF THE COMPANY**

### **Art. 15. Directors**

The Company is administered by a Board of Directors composed of at least three members who may or may not be shareholders. The directors shall be elected by the General Meeting of Shareholders for a maximum period of six years. Any director may be removed with or without good cause or replaced at any time by a resolution adopted by the General Meeting of Shareholders.

If a seat on the Board falls vacant as a result of the death or resignation of a director or for any other reason, he/she may be temporarily replaced provided that the formalities required by law are respected. In this case, the General Meeting of Shareholders shall elect a permanent director when it next convenes.

### **Art. 16. Board of Directors' Meetings**

The Board of Directors shall elect a chairman from among its members. It may also appoint one or more vice-chairmen and a secretary, who need not necessarily be a member of the Board of Directors. The Board of Directors shall meet upon notification by the chairman or, failing this, by two directors as often as required in the interests of the Company at the place indicated in the invitations to attend. Invitations to attend shall be made by any means, even verbally.

Resolutions of the Board of Directors shall only be valid if at least half of its members are present or represented.



Board of Directors' meetings shall be chaired by the chairman of the Board of Directors or, in his/her absence, by one of the directors present, chosen by majority vote of the Board members present at the meeting.

Any director may appoint another director in writing, by letter, fax, email or any other means approved by the Board of Directors, including any other legally permitted electronic means of communication capable of proving such appointment, to represent him/her at a meeting of the Board of Directors and vote on his/her behalf on the items included on the meeting's agenda. One director may represent several other directors.

Resolutions shall be passed by a majority of votes of the directors present or represented. In the case of a tied vote, the person presiding over the meeting shall have the casting vote.

In matters of urgency, the directors may vote on the items on the agenda by letter, fax, email or any other means approved by the Board of Directors, including any other legally permitted electronic means of communication.

Any director may take part in a meeting of the Board of Directors by conference call, videoconference or any other similar means of communication by which they can be identified. Such means of communication must satisfy technical characteristics that guarantee effective participation in the meeting of the Board of Directors, whose deliberations are relayed in real time. Meetings held using these telecommunication methods shall be deemed to have been held at the registered office of the Company.

A resolution signed by all the members of the Board of Directors has the same authority as a decision taken by the Board of Directors. Directors' signatures may be affixed to one or more copies of the same resolution. They may be verified by letter, fax, scan or any other similar medium, including any other legally permitted electronic means of communication.

The deliberations of the Board of Directors shall be recorded in minutes signed by all the members of the Board of Directors present or by the chairman of the Board of Directors or, in his absence, by the director who chaired the meeting. Copies or extracts to be provided in court or elsewhere shall be signed by the chairman or the managing director, or by two directors.

#### **Art. 17. Powers of the Board of Directors**

The Board of Directors, in applying the principle of risk spreading, has the power to determine the general investment strategy and the investment policy, as well as the guidelines to be followed in the administration of the Company.

The Board of Directors shall also set all the restrictions that will apply to the Company's investments from time to time, in accordance with Part I of the Law of 2010.

The Board of Directors may decide that the Company will invest in (i) transferable securities and money market instruments listed or traded on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and Council of 21 April 2004 on markets in financial instruments, (ii) in transferable securities and money market instruments traded on another regulated market in a Member State of the European Union that operates regularly and is recognised and open to the public, (iii) in transferable securities and money market instruments admitted to an official listing on a stock market in a country in Eastern or Western Europe, Africa, the Americas, Asia and the Pacific region or traded on another market in these countries, provided that such markets operate regularly and are regulated, recognised and open to the public, (iv) in newly issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that an application for an official listing on a stock market or other abovementioned regulated market has been submitted, and provided that this listing is obtained within one year of issue, and (v) in any other stocks, instruments or other securities that conform to the restrictions set by the Board of Directors in accordance with the applicable laws and regulations provided for in the Prospectus.

The Board of Directors of the Company may decide to invest up to 100% of the net assets of each of the Company's sub-funds in different transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, by its local

authorities, by a non-Member State of the European Union approved by the Luxembourg regulator, including Singapore, Brazil, Russia and Indonesia, or by international public bodies to which one or more European Union Member States belong, any Member State of the Organisation for Economic Cooperation and Development, and any other state regarded as appropriate by the Board of Directors in respect of the investment policy of the sub-fund in question, provided that if the Company decides to make use of this provision, it holds securities for this sub-fund from at least six different issues and that the securities from one issue do not exceed 30% of the total net assets of the sub-fund concerned.

The Board of Directors may decide that the Company will invest in financial derivatives, including equivalent cash-settled instruments traded on a regulated market as defined by the Law of 2010 and/or financial derivatives traded over the counter, provided *inter alia* that the underlying consists of instruments covered by Article 41(1) of the Law of 2010, in financial indices, interest rates, exchange rates or currencies, in which the Company may invest in accordance with its investment objectives such as they are described in the Prospectus.

Insofar as it is permitted by the Law of 2010 and the applicable regulations and in compliance with the provisions of the Prospectus, a sub-fund may subscribe, purchase and/or hold shares issued or to be issued by one or more of the Company's other sub-funds. In such cases, and in accordance with the conditions provided for by the applicable Luxembourg law and regulations, any voting rights attached to these shares shall be suspended for as long as they are held by the sub-fund in question. Moreover, and for as long as a sub-fund holds these shares, their value shall not be taken into account when calculating the Company's net assets in order to check the minimum net asset level imposed by the Law of 2010.

The Board of Directors may decide that a sub-fund's assets are to be invested in such a way that they replicate the composition of an equity or bond index, provided that the index concerned is recognised by the Luxembourg regulator as being sufficiently diversified, is a representative sample of the market to which it refers and is published in an appropriate manner.

Unless so indicated for a specific sub-fund in its corresponding factsheet in the Prospectus, the Company shall not invest more than 10% of a sub-fund's net assets in undertakings for collective investment as defined in Article 41(1) (e) of the Law of 2010. Under the conditions provided for by the applicable Luxembourg law and regulations, the Board of Directors may, at any time that it regards as appropriate and to the full extent permitted by the applicable Luxembourg regulations, but in compliance with the provisions of the Prospectus, (i) create a sub-fund categorised as either a feeder fund or a master fund, (ii) convert an existing sub-fund into a feeder fund, or (iii) change the master fund of one of its feeder funds.

Anything that is not expressly reserved for the General Meeting of Shareholders according to the law or these Articles of Incorporation falls within the competence of the Board of Directors.

#### **Art. 18. Commitment of the Company vis-à-vis third parties**

The Company shall be validly committed vis-à-vis third parties by the joint signature of two directors or by the sole signature of any other persons to whom such signatory authority has been delegated by the Board of Directors.

#### **Art. 19. Delegation of powers**

The Board of Directors may delegate the powers relating to the day-to-day management of the Company's business to one or more directors or to one or more other representatives, who need not necessarily be shareholders of the Company.

#### **Art. 20. Custodian**

The Company shall conclude an agreement with a Luxembourg bank under the terms of which this bank shall assume the role of custodian of the Company's assets, in compliance with the Law of 2010.

#### **Art. 21. Personal interests of directors**

No contract or any other transaction that the Company may enter into with any other company shall be affected or invalidated by the fact that one or more directors or representatives of the Company has a personal interest of any kind in such company, or by the fact that this director or representative of the Company is a director, partner, manager, authorised representative or employee of such company. Any director or representative of the Company who is a director, associate, manager, authorised representative or employee of any company with which the Company places contracts, or with which this director or representative of the Company has other business relations, shall not be prevented from deliberating, voting or acting in connection with this contract or business.

If a director or representative of the Company has a personal interest that conflicts with that of the Company in any of the Company's dealings that are submitted to the Board of Directors for approval, this director or representative of the Company must inform the Board of Directors of this conflict of interest. This director or representative of the Company shall not deliberate and shall not vote on this matter. A report on this matter must be presented at the next shareholders' meeting.

The preceding paragraph shall not apply if the decision of the Board of Directors or the director concerns standard transactions entered into under normal conditions.

Such as it is used above, the term "personal interest" shall not apply to relations, interests, situations or transactions of any kind involving any entity that promotes the Company or any subsidiary of this entity or any other company or entity, where applicable, determined by the Board of Directors at its own discretion, provided that this personal interest is not considered to be a conflicting interest under the applicable laws and regulations.

## **Art. 22. Compensation of directors**

The Company may compensate any director or representative of the Company, as well as their heirs, executors and other legal administrators, in respect of expenses reasonably incurred by them as a result of any actions or proceedings to which they shall be a party or in which they have been involved owing to their being a current or former director or representative of the Company or for having been, at the request of the Company, a director or representative of any other company of which the Company is a shareholder or creditor and insofar as they will not be compensated by this other entity, except where they shall ultimately be found liable for gross negligence or mismanagement in such actions or proceedings. In the event of an out-of-court settlement, such compensation shall only be granted if the Company is informed by its independent legal adviser that the person to be compensated did not fail to carry out his or her duty. The right to compensation as described above shall not exclude other individual rights pertaining to these directors or representatives of the Company.

## **Art. 23. Supervision of the Company**

In compliance with the Law of 2010, all the elements of the Company's financial situation shall be audited by an approved statutory auditor. The statutory auditor shall be appointed by the General Meeting of Shareholders. The approved statutory auditor may be replaced by the General Meeting of Shareholders under conditions provided for by the applicable laws and regulations.

## **TITLE IV. - GENERAL MEETING**

### **Art. 24. Representation**

The General Meeting of Shareholders represents all the shareholders. It shall have the most extensive powers to instruct, establish or approve all activities relating to the operations of the Company.

The decisions of the General Meeting of Shareholders shall be binding upon all the Company's shareholders, irrespective of the sub-fund in which they hold shares. If a deliberation of the General Meeting of Shareholders is likely to alter the respective rights of the shareholders of the various sub-funds, the deliberation must, if so stipulated by the applicable law, be deliberated by the sub-funds concerned.

## **Art. 25. General Meetings**

All General Meetings of Shareholders shall be convened by the Board of Directors.

The General Meeting of Shareholders shall be convened within the time limits and according to the procedures provided for by the law. If bearer shares were issued, the invitation is effected by means of a notification published in compliance with the statutory forms and time limits.

In order to attend general meetings, holders of bearer shares must deposit their share certificates at the establishment indicated in the invitation to attend at least five clear days prior to the date of the meeting.

Under the conditions provided for by the applicable laws and regulations, the invitation to attend for any General Meeting of Shareholders may state that the quorum and majority required shall be determined by reference to the shares issued and outstanding at a specific time and date prior to the meeting (the "Registration Date"), as a shareholder's right to participate in a General Meeting of Shareholders and to exercise the voting right attached to his/her share(s) shall be determined by the number of shares held by said shareholder on the Registration Date.

The Annual General Meeting of the Shareholders shall be held in the Grand Duchy of Luxembourg at the place indicated in the invitation to attend, at 15:00 on the second Thursday in January of each year. If this is a public holiday, the General Meeting of Shareholders shall be held on the next bank business day.

If so permitted by the applicable laws and regulations, the Board of Directors may decide to hold the Annual General Meeting of Shareholders at a time and/or on a date and/or at a place other than those provided for in the preceding paragraph, provided that this alternative time, date or place is mentioned in the invitation to attend.

Other General Meetings of Shareholders of the Company or of sub-funds may be held in the places and on the dates indicated in the invitations to attend these meetings. Meetings of shareholders of sub-funds may be held to deliberate any matter that relates specifically to these sub-funds. Two or more sub-funds may be treated as a single sub-fund if they are affected in the same way by motions that require the approval of the shareholders of the sub-funds in question.

Moreover, all General Meetings of Shareholders must be convened such that they are held within one month if shareholders representing one tenth of the share capital send a written request to this effect to the Board of Directors, indicating the items on the agenda.

One or several shareholders representing at least ten per cent of the share capital may ask the Board of Directors to add one or more items to the agenda of any General Meeting of Shareholders. Such request must be sent to the registered office of the Company by registered letter at least five days prior to the meeting.

Any General Meeting of Shareholders may be held abroad if the Board of Directors, at its discretion, deems it necessary in exceptional circumstances.

The matters dealt with during a General Meeting of Shareholders shall be limited to the items contained on the agenda and to the business connected with such items.

## **Art. 26. Meetings without prior notice**

Whenever all the shareholders are present or represented and declare that they consider themselves to have been duly called to attend and have had prior knowledge of the agenda submitted for their deliberation, the General Meeting of Shareholders may take place without being convened in advance.

## **Art. 27. Votes**

Each share, regardless of the sub-fund and share class to which it belongs and regardless of its net asset value in the sub-fund or share class for which it was issued, entitles its holder to one vote. Voting rights may only be exercised for a whole number of shares. Any fractions of shares shall not be taken into account when calculating votes and quorum. Shareholders may arrange to be represented by a representative with power of attorney at General Meetings of Shareholders in writing, by fax, or any other legally permitted electronic means of communication capable of proving such power of attorney. Unless expressly revoked, such power of attorney shall remain valid for any General Meeting of Shareholders that is reconvened (or postponed by decision of the Board of Directors) to deliberate an identical agenda. The Board of Directors may also authorise a shareholder to participate in any meeting of shareholders by videoconference, or any other means of telecommunication through which the shareholder in question can be identified. These media must allow the shareholder to participate fully in such a meeting, whose proceedings must be relayed in real time to said shareholder. Any General Meeting of Shareholders held solely or partly by videoconference or using some other means of telecommunication shall be deemed to be taking place at the place indicated in the invitation to attend.

All shareholders are entitled to vote by post using the form available at the registered office of the Company. Shareholders must use the voting forms provided by the Company and must as a minimum state:

- the name, address or registered office of the shareholder concerned;
- the number of shares held by the shareholder concerned and participating in the vote, mentioning the shares in question, the sub-fund and, if applicable, the share class in respect of which they were issued;
- the place, time and date of the General Meeting of Shareholders;
- the meeting's agenda;
- the motion submitted for approval by the General Meeting of Shareholders; and
- for each motion, three boxes for the shareholder to vote for or against or to abstain from each of the motions proposed, by ticking the appropriate box.

Forms that do not indicate which way to vote or the intention to abstain from voting shall be considered null and void.

The Board of Directors may determine any other conditions to be met by the shareholders in order to participate in the General Meeting of Shareholders.

## **Art. 28. Quorum and majority requirements**

The General Meeting of Shareholders shall deliberate in accordance with the provisions of the Law of 10 August 1915 on commercial companies, as amended.

Unless otherwise stipulated by the applicable law and regulations or by these Articles of Incorporation, resolutions of the General Meeting of Shareholders shall be adopted by a simple majority of the votes cast. The votes cast shall not include those attached to shares represented at the meeting for which the shareholders have not voted, have abstained or have returned blank or invalid voting forms.

## **TITLE V. - FINANCIAL YEAR - APPROPRIATION OF INCOME**

### **Art. 29. Financial year and accounting currency**

The financial year begins on 1 October of each year and ends on 30 September of the following year.

The Company's financial statements shall be expressed in the currency of the Company's share capital, as indicated in Article 5 of these Articles of Incorporation. If there are several sub-funds, as provided for herein, the financial statements of said sub-funds shall be converted into the currency of the share capital and consolidated to produce the Company's financial statements.

In accordance with the provisions of the Law of 2010, the Company's annual financial statements shall be audited by the approved statutory auditor appointed by the Company.

### **Art. 30. Annual dividend distributions**

For each sub-fund of the Company, and following a proposal by the Board of Directors, the General Meeting of Shareholders shall determine the amount of dividends and interim dividends to be paid on distribution shares within the limits laid down by the Law of 2010. The portion of dividends, income and capital gains attributable to accumulation shares shall be reinvested.

In the case of all the sub-funds, interim dividends may be declared and paid by the Board of Directors in relation to distribution shares, subject to the legal requirements in force.

Dividends may be paid in a currency and at a time and place chosen by the Board of Directors and at the exchange rate prevailing on the date set by the Board of Directors. Any dividend that has not been claimed by its beneficiary within five years of its declaration shall be forfeited and revert to the Company. No interest shall be paid on any dividend declared by the Company and kept, by the Company or by any agent appointed for this purpose, at the disposal of the beneficiary.

In exceptional circumstances and at its sole discretion, the Board of Directors may decide to pay a distribution in kind of one or more securities held in a sub-fund's portfolio, provided that such distribution in kind applies to all the shareholders of the sub-fund concerned, irrespective of the share class held. In such circumstances, shareholders shall receive a portion of the assets of the sub-fund assigned to the share class, pro rata the number of shares held by shareholders of this share class.

### **Art. 31. Expenses payable by the Company**

The Company shall bear all the operating costs, in particular:

- all fees and expenses payable to the Board of Directors;
- the remuneration of investment advisers, investment managers, the Management Company, custodian, central administration, agents responsible for financial services, paying agents, the approved statutory auditor, the Company's legal advisers and other advisers or agents whose services the Company may call on;
- brokerage fees;
- the costs of preparing, printing and distributing the Prospectus, the KIIDs and the annual and semi-annual reports;
- printing individual and/or collective bearer share certificates;
- fees and expenses incurred in the formation of the Company;
- taxes and duties, including the *taxe d'abonnement* (subscription tax), and government charges arising from its business activity;
- the insurance costs of the Company, its directors and managers;
- fees and expenses associated with registering the Company and maintaining said registration with the Luxembourg and foreign government bodies and stock exchanges;
- the costs of publishing the net asset value and the subscription and redemption prices, or any other document, including the cost of preparing and printing these in each language deemed useful in the interest of shareholders;
- the costs relating to the distribution of the Company's shares, including marketing and advertising costs determined in good faith by the Company's Board of Directors;
- the cost of creating, hosting, maintaining and updating the Company's website(s);
- legal fees incurred by the Company or its custodian when acting in the interest of the Company's shareholders;

- the legal costs incurred by the Company's directors, executive management, managers, authorised representatives, employees and agents in connection with any actions or proceedings to which they shall be a party or in which they have been involved as a result of being or having been a director, executive manager, manager, authorised representative, employee or agent of the Company;
- all extraordinary expenses, including but not limited to legal costs, interest and the total amount of all taxes, duties, levies or similar expenses charged to the Company or its assets.

The Company forms a single legal entity. The assets of a given sub-fund shall be liable only for the debts, commitments and liabilities of that sub-fund. Fees which are not directly attributable to one sub-fund are divided between all the sub-funds in proportion to the net assets of each sub-fund.

The Company's formation expenses may be amortised over a maximum period of five years starting from the launch date of the first sub-fund, pro rata to the number of sub-funds in operation at that time.

If the launch of a sub-fund occurs after the launch date of the Company, the formation expenses related to the launch of the new sub-fund shall be borne by this sub-fund and may be amortised over a maximum period of five years, starting from the launch date of the sub-fund.

## **TITLE VI. - LIQUIDATION / MERGER**

### **Art. 32. Liquidation of the Company**

The Company may be dissolved by a resolution of the General Meeting of Shareholders ruling in the same manner as for an amendment to the Articles of Incorporation.

In the event of dissolution of the Company, the liquidation proceedings shall be conducted by one or more liquidators appointed in accordance with the Law of 2010, the Law of 10 August 1915 on commercial companies, as amended, and the Articles of Incorporation of the Company. The net proceeds of the liquidation of each sub-fund shall be distributed, in one or more tranches, to shareholders of the class concerned in proportion to the number of shares that they hold in this class. Subject to compliance with the principle of equal treatment of shareholders, all or part of the net proceeds of the liquidation may be paid in cash and/or in kind, in the form of transferable securities or other assets held by the Company. A payment in kind shall require the prior approval of the shareholder concerned.

Any amounts unclaimed by shareholders on completion of the liquidation will be deposited with the *Caisse de Consignation* in Luxembourg. Amounts not claimed within the legal limitation period shall be forfeited.

If the Company's share capital falls below two thirds of the minimum capital, the directors must table a motion to dissolve the Company at a General Meeting of Shareholders, which will deliberate without quorum requirements and adopt resolutions by simple majority of the shares represented at the meeting.

If the Company's share capital falls below one quarter of the minimum capital, the directors must table a motion to dissolve the Company at a General Meeting of Shareholders; in such an event the General Meeting shall deliberate without any quorum requirement and the dissolution may be decided by the shareholders holding one quarter of the shares represented at the meeting.

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

### **Art. 33. Liquidation of sub-funds or share classes**

The Board of Directors may decide to liquidate a sub-fund or share class of the Company if (1) the net assets of this sub-fund or this share class of the Company fall below an amount deemed insufficient by the Board of Directors, or if (2) a change in the economic or political situation relating to this sub-fund or the share class concerned, (3) financial restructuring or (4) the

interests of shareholders of this sub-fund or share class justify this liquidation. The shareholders of this sub-fund or class shall be notified of the liquidation decision and the reasons behind it. Unless the Board of Directors decides otherwise in the interest of shareholders or to ensure equal treatment of shareholders, shareholders of the sub-fund or class concerned may continue to ask for their shares to be redeemed or converted, taking into account the estimated liquidation costs.

If a sub-fund is liquidated, subject to compliance with the principle of equal treatment of shareholders, all or part of the net proceeds of the liquidation may be paid in cash and/or in kind, in the form of transferable securities and/or other assets held by the sub-fund in question. A payment in kind shall require the prior approval of the shareholder concerned.

The net liquidation proceeds may be distributed in one or more tranches. The net liquidation proceeds that cannot be distributed to shareholders or beneficiaries on completion of the liquidation of the sub-fund or share class concerned shall be deposited with the *Caisse de Consignation* for the account of their beneficiaries.

The Board of Directors also has the option of proposing the liquidation of a sub-fund or share class at the General Meeting of Shareholders of this sub-fund or class. Such a General Meeting of Shareholders shall be held without any quorum requirement and resolutions shall be adopted by simple majority of the votes cast.

In the event of liquidation of a sub-fund that would see the Company cease to exist, the liquidation shall be decided by a General Meeting of Shareholders which will deliberate in accordance with the quorum and majority requirements applicable to amend to these Articles of Incorporation, as provided for in Article 32 above.

#### **Art. 34. Merger of sub-funds**

The Board of Directors may decide to merge sub-funds by applying the rules for mergers of UCITS provided for in the Law of 2010 and its transposing regulations. However, the Board of Directors may decide to submit the merger proposal to the General Meeting of Shareholders of the sub-fund(s) to be absorbed. No quorum shall be required at this General Meeting of Shareholders and decisions shall be approved by simple majority of the votes cast.

If the Company were to cease to exist as a result of a merger of sub-funds, the merger must be decided upon by the General Meeting of Shareholders ruling in accordance with the majority and quorum conditions required to amend these Articles of Incorporation.

#### **Art. 35. Forced conversion of a share class to another share class**

In similar circumstances to those described in Article 33 above, the Board of Directors may decide to force the conversion of a share class to another share class of the same sub-fund. The shareholders concerned shall be notified of this decision and the conditions thereof by notification or publication in accordance with the provisions of the Prospectus. Information relating to the new share class shall be published at the same time. This notification shall be published at least one month before the forced conversion takes effect, so that shareholders can ask for their shares to be redeemed or converted into shares of other share classes of the same sub-fund or of another sub-fund before the transaction becomes effective, with no redemption fees payable other than any fees that are payable to the Company, as specified in the Prospectus. At the end of this period, all remaining shareholders shall be bound by the forced conversion.

#### **Art. 36. Split of sub-funds**

In the circumstances described in Article 33 above, the Board of Directors may decide to restructure a sub-fund by splitting it into several sub-funds. The shareholders concerned shall be notified of this decision and the conditions of the split of the sub-fund by notification or publication in accordance with the provisions of the Prospectus. Information relating to the new sub-fund thus created shall be published at the same time. This notification shall be published at least one month before the split takes effect, so that shareholders can ask for their shares to be redeemed or converted, with no redemption fees, before the transaction becomes effective. At the end of this period, all remaining shareholders shall be bound by the decision.



The shareholders of a given sub-fund may also decide to split the sub-fund at a General Meeting of Shareholders of the sub-fund in question. No quorum shall be required at this General Meeting of Shareholders and decisions shall be approved by simple majority of the votes cast.

#### **Art. 37. Split of share classes**

In the circumstances described in Article 33 above, the Board of Directors may decide to restructure a share class by splitting it into several share classes of the Company. The Board of Directors may decide to carry out a split if so required in the interests of shareholders of the class concerned. The shareholders concerned shall be notified of this decision and the conditions of the split of the share class by notification or publication in accordance with the provisions of the Prospectus. Information relating to the new share classes thus created shall be published at the same time. This notification shall be published at least one month before the split takes effect, so that shareholders can ask for their shares to be redeemed or converted, with no redemption fees, before the transaction becomes effective. At the end of this period, all remaining shareholders shall be bound by the decision.

### **TITLE VII. - AMENDMENTS TO THE ARTICLES OF INCORPORATION - APPLICABLE LAW**

#### **Art. 38. Amendments to the Articles of Incorporation**

These Articles of Incorporation may be amended by a General Meeting of Shareholders subject to the quorum and majority conditions required by Luxembourg law. Any amendment to the Articles of Incorporation affecting the rights attached to the shares of a given sub-fund with respect to the rights attached to the shares of the other sub-funds or any amendment to the Articles of Incorporation affecting the rights attached to the shares of a share class with respect to those of another share class shall be subject to the quorum and majority requirements stipulated in the Law of 10 August 1915 on commercial companies, as amended.

#### **Art. 39. Applicable law**

For any matters not specified in these Articles of Incorporation, the parties shall refer and be subject to the provisions of the Luxembourg Law of 10 August 1915 on commercial companies, as amended, and the provisions of the Law of 2010.