

# **PROSPECTUS**

## **Azvalor Lux SICAV**

*Investment Company with Variable Capital under Luxembourg law*

**April 2025**

## IMPORTANT INFORMATION

Any subscription to shares in the sub-funds of **AZVALOR LUX SICAV** must be made only on the basis of the information contained in the Company's Articles of Association, this prospectus with the attached descriptive fact sheets for each of the sub-funds, the Key Information Documents (KIDs), together with the most recent annual report and latest quarterly report, if the latter postdates the annual report.

No person is authorised to provide any information other than that already given in this prospectus, the KIDs and in the documents mentioned in the prospectus and which can be consulted by the public.

The Directors, whose names are shown hereinafter, are responsible for the information contained in this prospectus. To their knowledge and in good faith (with all reasonable precautions having been taken to ensure this), the information contained in this prospectus is a true reflection of the facts and does not omit any material fact likely to alter the nature of this information. The Board assumes responsibility as a result.

There may be restrictions in certain countries on the distribution of this prospectus, the KIDs and supporting documentation, as well as on the marketing of the Company's shares.

The prospectus may not be used to make an offer or to solicit sales in any country or under any circumstances where such an offer or solicitation is not permitted. In particular, the shares of the Company have not been registered in accordance with any of the United States legal or regulatory provisions. The shares of the Company may not therefore be the subject of a public offering in that country or in any of its other territories or possessions or regions that are subject to its jurisdiction.

The Company's Articles of Association contain restrictions applicable to the holding of shares by American citizens ("**US Persons**") or for their benefit.

The expression "US Person" refers to any person who is a US national within the meaning of Regulation S of the United States Securities Act of 1933 or as defined by the US. Commodity Futures Trading Commission, as amended as necessary by any law, rule, regulation or any interpretation by the judicial or administrative authorities. The Company is not registered in the United States under the Investment Company Act of 1940. The Company's shares have not been registered in the United States under the Securities Act of 1933. The shares covered by this offer may not be offered or sold, directly or indirectly, in the United States or in any of its territories, possessions or regions subject to its jurisdiction nor to citizens or residents of the United States or intended for them, unless in accordance with an exemption from the registration requirements under American law or any applicable law, rule, regulation or interpretation. US Persons are not authorised to invest in the Company. Potential Investors will be asked to declare that they are not US Persons and that they are not subscribing to Shares on behalf of a US Person. Unless otherwise advised in writing to the Company, if a potential Investor indicates an address outside of the United States on the subscription form for an Investment in the Company, that Investor will be deemed to represent and warrant not being a US Person and will continue to be considered as such until such time as the Company is informed of any change in status in this regard.

It is the responsibility of Investors wishing to subscribe to shares to inform themselves of the laws and regulations (such as those relating to tax matters and foreign exchange controls) applicable to the subscription, purchase, ownership and sale of shares in their place of origin, residence or domicile.

Any information or declaration from a broker, vendor or any other person, not contained in this prospectus, the KIDs or in the reports that form an integral part thereof, must be considered unauthorised and therefore unreliable. Neither the distribution of this prospectus, nor the offer, issue or sale of the Company's shares constitute an assertion to the effect that the information provided in this prospectus will always be exact subsequent to the date hereof.

Shareholders must read the KIDs before making their first subscription request and before any request to convert shares, in compliance with the applicable laws and regulations.

In this regard, a copy of the Articles of Association of the Company, the full prospectus, the KIDs and the financial reports (semi-annual report and revised annual report) can be obtained free of charge from the registered office of the Company and on the website of the Management Company at [www.mdo-manco.com](http://www.mdo-manco.com).

The prospectus and the KIDs may be updated to take into account the addition or deletion of sub-funds and any material changes made to the Company's structure and *modus operandi*. Subscribers are therefore advised to contact the Company's registered office to inquire about the publication of any more recent document(s).

## TABLE OF CONTENTS

1. THE COMPANY .....	4
1.1 Legal structure of the Company .....	4
1.2 The Company's shares .....	4
2. INVESTMENTS AND INVESTMENT RESTRICTIONS .....	6
2.1 General information.....	6
2.2 Investment restrictions.....	6
2.3 Financial techniques and instruments .....	11
3. INVESTMENT RISKS .....	15
4. RISK MANAGEMENT PROCEDURE .....	18
5. NET ASSET VALUE .....	18
6. SUSPENSION OF CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REDEMPTION AND CONVERSION OF SHARES .....	20
7. ISSUE, REDEMPTION AND CONVERSION OF SHARES .....	21
7.1 Issuing of shares.....	21
7.2 Redemption of shares .....	22
7.3 Conversion of shares .....	22
7.4 General rules .....	23
8. STOCK EXCHANGE LISTING .....	24
9. MONEY LAUNDERING PREVENTION .....	24
10. COMPANY OPERATIONS .....	24
10.1 General meetings, Financial Year and Reports .....	24
10.2 Dividends .....	25
10.3 Expenses and fees .....	26
10.4 Notices .....	27
10.5 Company Liquidation.....	28
10.6 Liquidation of Sub-Funds and/or Classes of Shares.....	28
10.7 Merger of sub-funds and/or share classes .....	29
10.8 Demerger of Sub-Funds and/or Classes of Shares .....	30
10.9 Taxation .....	30
11. MANAGEMENT AND ADMINISTRATION .....	32
11.1 The Board of Directors.....	32
11.2 The Management Company .....	32
11.3 Manager(s)/Adviser.....	34
11.4 Distributor/Nominee .....	34
11.5 Statutory auditor.....	35
12. SERVICE PROVIDERS .....	35
12.1 Depository .....	35
12.2 Administrative Agent, Transfer Agent, Registrar, Domiciliary Agent.....	37
14. EXCHANGE OF INFORMATION BETWEEN MASTER FUND AND FEEDER FUND.....	37
15. PERSONAL DATA PROTECTION .....	38
16. GENERAL INFORMATION AND AVAILABLE DOCUMENTS .....	39
ANNEX 1.....	40
SUB-FUNDS .....	40

---

**The Company**

**AZVALOR LUX SICAV**  
15 Ave J.-F. Kennedy  
L-1855 Luxembourg

**The Company's Board of Directors****Mr JEROME TORDO**

**Chairman of the Board of Directors**

Fluence  
11 rue Pastourelle  
F- 75003 Paris, France

**Mr BELTRAN PARAGES REVERTERA**

azValor Asset Management S.A., SGIIC  
Paseo de la Castellana, 110  
E-28046 Madrid, Spain

**Mr SERGIO FERNÁNDEZ-PACHECO RUIZ-VILLAR**

azValor Asset Management S.A., SGIIC  
Paseo de la Castellana, 110  
E-28046 Madrid, Spain

**Mr LAURENT PICHONNIER**

Global Finance Consult Sàrl  
13, Rue des Bains  
L-1212 Luxembourg

---

**Management Company**

**Waystone Management Company (Lux) S.A.**

**Board of Directors of the Management Company****Mr Tim MADIGAN**

Independent Director

**Mr Vasileios KARALEKAS**

Product Lead Quantitative Solutions

**Mr Denis HARTY**

Waystone Country Head – Continental Europe

**Mrs Rachel Elizabeth WHEELER**

Global Product Head Regulated Fund Solutions

---

**Manager**

**AZVALOR ASSET MANAGEMENT S.A., SGIIC**

Paseo de la Castellana, 110, E-28046 Madrid, Spain

---

**Depository**

**Bank Pictet & Cie (Europe) AG succursale de Luxembourg.**

15 A Ave J.- F. Kennedy  
L-1855 Luxembourg

**Administrative Agent, Registrar  
and Transfer Agent, Domiciliary Agent,**

**FundPartner Solutions (Europe) S.A.**

15 Ave J.-F. Kennedy  
L-1855 Luxembourg

**Company Auditor**

**PricewaterhouseCoopers**

2 Rue Gerhard Mercator  
L-2182 Luxembourg

## **1. THE COMPANY**

### **1.1 Legal structure of the Company**

AZVALOR LUX SICAV (the "Company") was incorporated in Luxembourg as a public limited company in accordance with the terms of the Act of 10 August 1915, as amended. The Company has the status of Investment Company with Variable Capital - SICAV - in accordance with part I of the Act of 17 December 2010, as amended (hereinafter the "2010 Act").

The Company was incorporated on the 9<sup>th</sup> of December 2015 for an indefinite period. The Company may be dissolved at any time by decision of the general meeting of shareholders voting as for amendments to the Company's Articles of Association.

The Company's registered office is located at 15 Avenue J.-F. Kennedy, L-1855 Luxembourg.

The Articles of Association were filed with the Luxembourg Trade and Companies Registry and published in RESA (Recueil Electronique des Sociétés et Associations), (Official Journal of Associations and Companies).

The Company has appointed Waystone Management Company (Lux) S.A. (formerly named MDO MANAGEMENT COMPANY S.A.) as its Management Company under a "Management Company Services Agreement" dated 9<sup>th</sup> of December 2015.

The Company's capital is expressed in euros ("EUR"). The capital is at all times equal to the total net assets of the different sub-funds. It is represented by shares issued with no par value, that are fully paid-up, and the characteristics of which are mentioned under "Company Shares", below. Changes in capital are effected *ipso jure* and without the need for the publication and registration required for capital increases and decreases by public limited companies. The Company's initial capital on the date of its incorporation was EUR 31,000. The Company's minimum capital is EUR 1,250,000, which must be achieved within six months of the Company being entered on the official list of collective investment institutions. The Company is entered in the Luxembourg Trade and Companies Register under the number B 202.496.

The Company is an investment vehicle with multiple sub-funds (also called an "umbrella fund"), that is to say that its liabilities consist of several share classes each representing a pool of assets, diverse rights and specific commitments, each sub-fund corresponding to a separate investment policy, subject, as appropriate, to its own specific investment restrictions. Each of its share classes and the corresponding assets make up a Sub-fund. The assets of a given Sub-fund only cover the debts, liabilities and commitments of that Sub-fund.

The multiple sub-fund structure offers investors the advantage of being able to choose between different Sub-funds, but also of being able to convert their shares into those of other Sub-funds.

The Board of Directors may launch other Sub-funds at any time; their investment policy and offering methods will be communicated when the time comes by updating the prospectus. Similarly, the Board of Directors may bring an end to certain Sub-funds, in accordance with what is stipulated in the "General Meetings of shareholders, sundry procedures and shareholder information" section below.

### **1.2 The Company's shares**

As indicated above, the Board of Directors may create as many sub-funds as necessary, based on the criteria and terms it defines. Within each sub-fund, the Board of Directors can create one or several classes of shares ("Share Classes"), which may differ in terms of the characteristics of each class, such as for example a particular fee structure for sale and buy-back, a particular fee structure for advice or management, a policy for hedging exchange rate risk or not, or a particular distribution policy. The Company's Board of Directors reserves the right, acting by simple majority, to create new Share Classes at any time.

When new Share Classes are created, this prospectus shall be adjusted accordingly and the descriptive fact sheets for each sub-fund will include detailed information on the new Share Classes.

The Board of Directors may take the decision to issue accumulation or income shares in any class of each sub-fund, with a subsequent update of the sales prospectus.

The shares issued are described in the annexes specific to each sub-fund.

Income shares grant their owners the right to receive dividends, drawn on the portion of the net asset attributable to the income shares of the sub-fund concerned.

Unless otherwise indicated in the subscription form, dividends on registered income shares are normally reinvested through the purchase of additional income shares of the sub-fund and share classes to which the dividends relate. These additional income shares are issued on the ex-dividend date. The price is calculated in the same way as for other share issues of this sub-fund on the ex-dividend date based on the price of the income shares of this sub-fund. Fractions of nominal shares are rounded up to three decimal places. No subscription fee shall be due. Investors not wishing take advantage of this reinvestment possibility must complete that part of the subscription form provided for that purpose. In the event of dividends being paid in cash, they shall be paid to the bearers of registered income shares who have chosen to receive them in that form, with payment normally made by funds transfer. Nevertheless, the Board of Directors may decide to reinvest any dividend of less than EUR 50 (or the foreign currency equivalent) in additional shares of the same Share Class instead of paying it directly to Investors.

The general meeting of shareholders holding income shares of each sub-fund concerned shall decide each year, on proposal by the Board, whether to pay a dividend, to be calculated in accordance with the legal and statutory limits laid down for this purpose. It shall be the Board's responsibility to determine the means of payment of the dividends which are decided. Any dividends which are not claimed within five years of the date on which they are made available for payment shall lapse for the beneficiaries and will revert to the sub-fund concerned.

Finally, the Board of Directors may decide to distribute interim dividends, where it deems it appropriate, and proceed to make interim dividend payments.

In principle, accumulation shares do not grant the right to receive dividends. The share of income attributable to the accumulation shares of a given sub-fund shall remain invested in the sub-fund concerned.

The net asset value of a share depends on the net asset value of the sub-fund under which this share is issued, and, within a single class, its net asset value may vary based on whether it is an income share or an accumulation share.

The share classes within different sub-funds may be of unequal value.

The Board of Directors may issue shares for each sub-fund class in registered form.

Ownership of registered shares shall only be recognised by registration in the shareholders' register.

The shareholders' register is held in Luxembourg by FundPartner Solutions (Europe) S.A. Investors will receive a monthly account statement stating the number of shares held in the Company's register. Confirmation of entry in the register may be issued instead.

Shares must be fully paid-up and are issued with no par value. Unless stated otherwise, their issue is not limited in number. The rights attaching to the shares shall be those laid down in Luxembourg Act of 10 August 1915 on commercial companies and its amending laws, subject to any derogations thereto introduced by the 2010 Act. Fractions of shares may be issued for registered shares. Fractions of shares do not confer voting rights but they do have an entitlement to a proportional share of the liquidation surplus relating thereto. Every full share in the Company, regardless of its value, has equal voting rights. The shares of each sub-fund and/or each class have an equal right to the liquidation surplus of the Sub-fund and/or of each Class concerned.

Detailed information on the different classes of shares issued and the form in which they are issued is contained in the description of each sub-fund.

The Company may issue shares at any time which must be fully paid-up. In the event of new shares being issued, existing shareholders shall have no preferential subscription rights to those shares.

Each shareholder has the right to request the redemption of their shares subject to the conditions and limits established in the Company's Articles of Association and under the 2010 Act.

Changes in capital are effected *ipso jure* without the need for the publicity and entry in the Trade Register required for capital increases and decreases by public limited companies.

## **2. INVESTMENTS AND INVESTMENT RESTRICTIONS**

### **2.1 General information**

The Company objective is long and medium-term capital growth (and, for any income shares issued, the distribution of regular income) through professional management of portfolio assets, with the object of spreading the investment risks and to allow the shareholders to benefit from the income from this management of the assets, consisting of securities and other assets authorised under the 2010 Act.

The characteristics and the investment policy of each sub-fund are defined in the sub-fund descriptive fact sheets contained in Annex 1 of this prospectus.

The Company shall make every effort to meet its investment objectives, however it cannot guarantee to what extent the objective will be achieved due to fluctuations in the net asset value of each sub-fund.

### **2.2 Investment restrictions**

The general provisions set out below shall apply to all the Company's sub-funds unless they conflict with the objectives of a given sub-fund. If that is the case, the sub-fund descriptive fact sheet shall set out the specific investment restrictions which take priority over the general provisions.

#### **A. The Company's investments may consist of:**

- (1) Transferable Securities and Money Market Instruments admitted to or traded on a Regulated Market recognised by its Member State of origin and registered in the list of regulated markets published in the Official Journal of the European Union ("EU") or on its official Website;
- (2) Transferable Securities and Money Market Instruments traded on another market of a Member State of the European Union (hereinafter "the EU") that is regulated, operates regularly, is recognised and open to the public.
- (3) Transferable Securities and Money Market Instruments listed on an official stock exchange of a State that is not a member of the European Union or traded on another market of a State that is not a member of the EU, that is regulated, operates regularly, is recognised and open to the public, that other stock exchange and regulated market being located in another European State that is not part of the EU or in any country in America, Africa, Middle East, Asia, Australia or Oceania;
- (4) new issues of Transferable Securities and Monetary Market Instruments, provided that:
  - the issue terms include an undertaking that an application will be filed for official listing on a stock market or another regulated market as described above that is operating regularly, is recognised and open to the public;
  - the listing is obtained at the latest within one year of the issue date.
- (5) Shares or units of UCITS approved in accordance with Directive 2009/65/EC (including a Master UCITS, where relevant, in accordance with the terms below) and/or other collective investment undertakings (CIUs) under article 1(2)(a) and (b) of Directive 2009/65/EC, whether they are established in a Member State of the European Union or not, provided that:
  - these other CIUs are approved under legislation that makes these bodies subject to supervision that is considered by the CSSF to be equivalent to that imposed under EU legislation, and that cooperation between the authorities is sufficiently guaranteed;
  - the level of protection guaranteed to the share or unit holders of other CIUs is equivalent to that provided to share and unit holders of a UCITS and, in particular, that the rules on the division of assets, borrowing, lending and short selling of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of these other CIUs is reported in their semi-annual and annual reports so that the assets, liabilities, income and transactions for the period under consideration can be assessed;

- no more than 10% of the assets of the UCITS or of the other CIUs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other CIUs;
- (6) Deposits with credit institutions that are repayable on demand or that may be withdrawn and with maturities of less than or equal to twelve months, provided that the credit institution has its registered office in a Member State of the EU or, if the registered office of the credit institution is located in a non-Member state, it is subject to prudential regulations deemed by the CSSF to be equivalent to those laid down in Community legislation.
- (7) Derivative financial instruments, including similar instruments giving rise to a cash settlement, that are traded on a regulated market of the type mentioned in points (1), (2) and (3) above, and/or derivative financial instruments traded on OTC markets ("OTC derivatives"), provided that:
- the underlying is an instrument coming under Article 41(1) of the 2010 Act and relating to financial indexers, interest rates or currencies in which the Fund may make investments in accordance with its investment objectives, as set out in the instruments of incorporation of the Fund;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision belonging to categories approved by the CSSF; and
  - the OTC derivatives are subject to reliable and verifiable daily valuation and, at the decision of the Company, may be sold, liquidated or closed by means of a symmetrical transaction at any time and at their fair value.

These transactions shall not cause the Company to deviate from its investment objectives under any circumstances.

- (8) Money Market Instruments other than those traded on a regulated market, provided that the issue or issuing body of these instruments is subject to regulations aimed at protecting investors and their savings and that these instruments are:
- issued or guaranteed by a central, regional or local government, by a central bank of an EU Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a non-EU Member State or, in the case of a federal State, by one of the members making up the federation, or by an international public body to which one or several EU Member States belong; or
  - issued by a company whose securities are traded on the regulated markets mentioned in points (1), (2) and (3) above; or
  - issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in Community law, or by an institution subject to and complying with prudential regulations deemed by the CSSF to be at least as strict as those provided for in Community law; or
  - issued by other entities belonging to the categories approved by the CSSF, provided that the investments in these instruments are subject to rules of investor protection equivalent to those provided for in the first, second or third sub-paragraphs above, and that the issuing body is a company with capital and reserves of at least ten million euros (EUR 10,000,000) and that presents and publishes its annual accounts in accordance with Directive 78/660/EEC, an entity whose business, within a group of companies including or several listed companies, is the financing of that Group, or an entity whose business is the financing of securitization vehicles benefiting from a banking liquidity line.
- (9) Shares issued by one or several of the Company's other Sub-funds under the conditions laid down in the 2010 Act.

The investment is only authorised provided that:

- the target sub-fund does not then invest in the sub-fund which invested in this target sub-fund;
- the proportion of assets that the sub-funds whose purchase is envisaged may invest globally, in accordance with their Articles of Association, in other units of other target sub-funds or of the same CIU does not exceed 10%;
- the potential voting right attached to securities in question shall be suspended for as long as they are held by the sub-fund concerned and without prejudice to appropriate treatment in the accounts and regular reports; and



- in any event, as long as these securities are held by the Company their value shall not be taken into account for the calculation of the Company's net assets for the purposes of verifying the minimum net assets threshold imposed by law; and
- there is no duplication of management/subscription or redemption fees at the level of the sub-fund of the Company having invested in the target sub-fund and at the level of this target sub-fund.

**B. Furthermore, the Company may, in each sub-fund:**

- (1) Invest up to 10% of the net assets of each sub-fund in Transferable Securities and Money Market Investments other than those covered in section A, paragraphs (1) to (4) and (8);
- (2) Hold cash and cash equivalents on an *ad hoc* basis;
- (3) Borrow up to 10% of the net assets of the sub-fund, provided that the loans are on a temporary basis. Commitments related to option contracts, and purchases and sales of futures contracts are not considered to be loans for the purpose of calculating the investment limit.

**C. Furthermore, regarding the net assets of each sub-fund, the Company shall observe the following investment restrictions by issuer:**

a) Risk diversification rules

For the purpose of calculating the limits set out in points (1) to (5) and (8) below, companies forming part of the same Group of Companies are to be considered a single issuer.

If the issuer is a legal entity with multiple sub-funds and the assets of the individual sub-funds may only be used to satisfy the rights of investors in the sub-fund concerned and the rights of those creditors whose claim has arisen from the setting-up, operation or liquidation of that sub-fund, each sub-fund is considered to be a separate issuer for the purposes of applying the risk diversification rules.

• **Transferable Securities and Money Market Instruments**

- (1) A sub-fund may not acquire additional Transferable Securities and Money Market Instruments from the same issuer if, following this acquisition:
  - (i) more than 10% of its net assets correspond to Transferable Securities or Money Instruments issued by this entity;
  - (ii) the combined total value of the Transferable Securities and Money Market Instruments held by the sub-fund that come from issuers in which it has invested more than 5% of its assets exceeds 40% of its total assets. This limit does not apply to deposits with financial institutions subject to prudential supervision and OTC derivative instrument transactions with those institutions.
- (2) A sub-fund may invest, on a cumulative basis, up to 20% of its assets in Transferable Securities and Money Market Instruments issued by the same group of companies.
- (3) The 10% limit set in point (1) (i) may be raised to 35% if the Transferable Securities and Money Market Instruments are issued or guaranteed by an EU Member State, its local authorities, by a non-EU Member State or by public international organisations of which one or more EU Member States are members.
- (4) The 10% limit set in point (1) (i) may be raised to 25% for certain bonds, if they are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special supervision by the public authorities aimed at protecting its bondholders. In particular, the funds raised from issuing such bonds must be invested, in accordance with the law, in assets which are sufficient to cover the financial obligations arising from that issue throughout the entire life of the bonds and which will be used, by priority, to repay the principal and interest due in the event of the issuer's failure. If investments by a sub-fund in such bonds with one and the same issuer represent more than 5% of the net assets, the combined total value of these investments may not exceed 80% of the value of the net assets of that sub-fund.
- (5) The securities mentioned in points (3) and (4) above are not taken into account in calculating the 40% risk diversification ceiling set in point (1) (ii).

- (6) **Notwithstanding the limits laid down above, each sub-fund may, in accordance with the principle of risk diversification, invest up to 100% of its assets in Transferable Securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State, its local authorities, a Member State of the Organisation for Economic Cooperation and Development (OECD) such as the United States, or public international organisations in which one or more EU Member States are members, provided that (i) these securities come from at least six different issues, and (ii) the securities from one and the same issue do not exceed 30% of the total net assets of the sub-fund.**
- (7) Without prejudice to the limits laid down in Section (b) below, the limits set in point (1) are raised to a maximum of 20% for investment in shares and/or bonds issued by the same entity if the Company's investment policy objective is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
- (i) the composition of the index is sufficiently diversified;
  - (ii) the index represents an adequate benchmark for the market to which it refers;
  - (iii) the index is published in an appropriate manner.

The 20% limit may be raised to 35% where that proves to be justified by exceptional market conditions, in particular in regulated or markets where certain Transferable Securities or Money Market Instruments are highly dominant. Investment up to this limit is only allowed for a single issuer.

- **Bank deposits**

- (8) The Company may not invest more than 20% of the net assets of any sub-fund in deposits placed with the same entity.

- **Derivative instruments**

- (9) The sub-fund's counterparty risk in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is one of the credit institutions mentioned in Section A(6) above, or 5% of its assets in other cases.
- (10) A sub-fund may invest in financial derivative instruments provided that the aggregate exposure to the underlying assets does not exceed the investment limits laid down in points (1) to (5), (8), (9), (13) and (14). If a sub-fund invests in index-based financial derivative instruments, these investments do not have to be combined in accordance with the limits laid down in points (1) to (5), (8), (9), (13) and (14).
- (11) When a Transferable Security or a Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the provisions of Section C, point (14), and Section D, point (1), and in assessing the risks associated with derivative transactions, to ensure that the overall risk linked to derivatives does not exceed the total net asset value.

Each sub-fund must ensure that the overall risk linked to derivatives does not exceed the total net value of its portfolio. This risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, the foreseeable market trend and the time available to liquidate the positions.

- **Units of open-ended funds**

- (12) The Company may not invest more than 20% of the net assets of each sub-fund in the units of a single UCITS or other CIU, as defined in Section A, point (5). For the purpose of the application of this investment limit, each target UCITS or UCI sub-fund shall be deemed to be a separate issuing body, provided that the principle of segregation of liabilities of the various sub-funds with regard to third parties is ensured. The cumulative total investments in the units of CIUs other than UCITS may not exceed 30% of the net assets of the sub-fund concerned.

- **Combined limits**

- (13) Notwithstanding the individual limits set in points (1), (8) and (9) above, a sub-fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by a single entity;
  - deposits with a single entity; and/or,
  - risks arising from OTC derivative transactions with a single entity, that exceed 20% of its net assets.
- (14) The limits laid down in points (1), (3), (4), (8), (9) and (13) above may not be combined; therefore, the cumulative total investments of each sub-fund in Transferable Securities or Money Market Instruments issued by the same entity in deposits with that entity or in derivatives traded with that entity in accordance with points (1), (3), (4), (8), (9) and (13) may not exceed 35% of the total net assets of the sub-fund.

*b) Limits on control*

- (15) The Company may not acquire shares with voting rights attached that would allow it to exercise significant influence over the management of an issuer.
- (16) The Company may not acquire (i) more than 10% of non-voting shares of the same issuer; (ii) more than 10% of the bonds of the same issuer; (iii) more than 10% of the Money Market Instruments issued by the same issuer; or (iv) more than 25% of the units of the same UCITS and/or other CIU.

The limits set in points (ii) and (iv) do not have to be observed at the time of acquisition if, at that time, the gross amount of the bonds or Money Market Instruments, or the net amount of the securities issued, cannot be calculated.

The ceilings set in points (15) and (16) do not apply with regard to:

- (i) Transferable Securities and Money Market Instruments issued or guaranteed by a EU Member State or its regional public authorities;
- (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non-EU Member State;
- (iii) Transferable Securities and Money Market Instruments issued by international public bodies to which one or more EU Member States belong;
- 
- (iv) the shares held in the capital of a company of a non-EU Member State, provided that (i) the company invests its assets mainly in the securities of issuers of that State where, (ii) under the legislation of that State, such a holding is the only way in which the Company can invest in the securities of issuers of that State, and (iii) the investment policy of that company complies with the risk diversification rules and limits on control laid down in Section C, points (1), (3), (4), (8), (9), (12), (13), (14), (15) and (16), and in Section D, point (2);
- (v) Shares held in the capital of subsidiary companies carrying out management, advisory or sales and marketing activities on the Company's behalf in the country where the subsidiary is located with regard to the redemption of units at the request of unit holders.

**D. Furthermore, the Company must observe the following investment restrictions per instrument:**

- (1) Each sub-fund must ensure that the overall risk linked to derivatives does not exceed the total net value of its portfolio.

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

- (2) The aggregate investment in units of CIUs other than UCITS may not exceed 30% of the net assets of the Company.

**E. Finally, the Company must ensure that the investments of each Sub-Fund observe the following rules:**

- (1) The Company may not acquire commodities, precious metals or even certificates representative thereof, it being understood that transactions involving currencies, financial instruments, indices or securities as

well as futures, options and swaps thereon are not considered to be transactions involving goods for the purposes of this restriction;

- (2) The Company may not acquire immovable assets, unless such acquisitions are essential for the direct pursuit of its business;
- (3) The Company may not use its assets to guarantee securities;
- (4) The Company may not issue warrants or other instruments that grant the right to acquire the Company's shares;
- (5) Without prejudice to the possibility of the Company to acquire bonds and other debt securities and to hold bank deposits, it may not grant loans or act as a guarantor for third parties. This restriction does not prevent the acquisition of Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid-up;
- (6) The Company may not short sell transferable securities, money market instruments or other financial instruments referred to in Section A, points (5), (7) and (8).

**F. Notwithstanding the foregoing provisions:**

- (1) The foregoing limits need not be observed in the case of the exercise of subscription rights attached to the Transferable Securities or Money Market Instruments that make up the net assets of the sub-fund concerned.
- (2) If the limits are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company must make its priority objective, in its sales transactions, to remedy that situation taking due account of the interests of its shareholders.

The Company's Board of Directors may decide to introduce other investment restrictions where those limits are necessary to comply with the laws and regulations of the country in which the Company's shares will be offered or sold.

**G. Master-Feeder Structure:**

A UCITS is considered to be a "feeder" ("UCITS Feeder Fund") when one of its investment sub-funds invests at least 85% of its assets in another UCITS or an investment sub-fund of the latter ("Master UCITS") under the conditions laid down by Luxembourg laws and regulations.

A UCITS is considered to be a Master UCITS when one of its investment sub-funds (i) has at least one UCITS feeder fund among its unit holders; (ii) is not a UCITS feeder fund itself; and (iii) does not hold units in a UCITS feeder.

If it is considered to be a feeder, a UCITS may hold up to 15% of its assets in one or more of the following:

- (1) liquid assets on an *ad hoc* basis, in accordance with the applicable provisions of the 2010 Act;
- (2) financial derivative instruments, which may only be used for hedging purposes in accordance with the applicable provisions of the 2010 Act;
- (3) the movable and immovable assets essential for the direct pursuit of its business, if the UCITS feeder is an investment company.

Investment by a Feeder UCITS established in Luxembourg in a given Master UCITS that exceeds the limit applicable to investments in other UCITS, pursuant to Article 46, paragraph (1), of the 2010 Act, is subject to the prior approval of the CSSF.

The CSSF gives its approval if the Feeder UCITS, its depositary, its approved auditor and the Master UCITS comply with all the obligations laid down in chapter 9 of the 2010 Act.

Where applicable, the description of the sub-fund must contain information on the commissions and fees incurred due to the Sub-Fund's investment in the Feeder UCITS and indicate the cumulative fees of the Master and Feeder UCITS.

## 2.3 Financial techniques and instruments

## **A. General provisions**

For purposes of efficient portfolio management and/or to protect its assets and commitments, the Company may, for each of its sub-funds, use techniques and instruments related to Transferable Securities and Money market Instruments in accordance with the applicable provisions of circulars CSSF 08/356, 14/1592 and 11/512, and ESMA guidelines 2014/937.

If those transactions relate to the use of derivatives, the conditions and limits established above in Section A, point (7), Section C, points (1), (9), (10), (11), (13) and (14), and in Section D, point (1), must be observed.

Thus, each sub-fund is authorised to undertake any kind of futures transactions and transactions related to the sale or purchase of future contracts on exchange rates, the sale or purchase of future contracts on currencies, and the sale of call options or the purchase of put options on currencies, to protect its assets from exchange-rate fluctuations or to optimise its performance, that is to say for efficient portfolio management.

## **B. Transactions in OTC derivative financial instruments and/or use of efficient portfolio management techniques**

If the Company enters into transactions in OTC derivatives and/or uses efficient portfolio management techniques, any collateral used to reduce exposure to counterparty risk must, at all times, observe the following criteria:

- (1) Liquidity: all assets (other than cash) received as collateral must be liquid and traded on a regulated market (or on a multilateral trading facility) ensuring transparent pricing so that it can be sold quickly at a price that is close to the pre-sale value. Assets received as collateral must also comply with the provisions of Article 56 of the Directive 2009/65/EC.
- (2) Valuation: assets received as collateral must be valued daily; assets that exhibit high volatility may not be accepted as collateral unless suitably conservative haircuts are in place.
- (3) Issuer credit quality: assets received as collateral must be of high quality.
- (4) Correlation: assets received as collateral must be issued by an entity that is independent from the Company's counterparty and their performance should not be closely correlated to that of the counterparty.
- (5) Asset diversification: assets received as collateral must be sufficiently diversified in terms of country, markets and issuers. The diversification criterion is considered to have been met if the Company receives from a counterparty a basket of assets with a maximum exposure to a given issuer of 20% of its net asset value. If the Company has several counterparties, the different baskets of assets received as collateral must be aggregated in order to calculate the 20% exposure limit.

Counterparty risk in transactions involving over-the-counter derivative financial instruments combined with the result of other efficient portfolio management techniques may not exceed 10% of net assets of a sub-fund when the counterparty is a credit institution, or 5% of its assets in other cases.

The risks associated with the management of financial collateral, such as operational risks and legal risks, must be identified, managed and mitigated by the risk management process.

Assets received as financial collateral (through an ownership transfer operation as security) must be deposited with the Company's Depository. Regarding other types of financial collateral arrangements, the financial collateral may be held by a third-party depository that is subject to prudential supervision and that is not linked to the supplier of the financial collateral.

The Company must be able to enforce its financial collateral at any time and without prior consultation or approval of the counterparty.

Assets (other than cash) received as financial collateral may not be sold, reinvested or pledged.

Cash collateral that may be reinvested must meet the same diversification requirements as collateral received in a form other than cash.

Cash received as financial collateral may only be:

- deposited with entities listed in Article 50(f) of Directive 2009/65/EC;
- invested in high quality Government bonds;

- used for purchase and resale transactions, provided that such transactions are made with credit institutions subject to prudential supervision and that the Company can demand the full amount of the liquid assets at any time, taking into account the accrued interest; or
- invested short term in money market UCITS.

Collateral shall be valued daily.

On the date of this prospectus, the Company does not perform transactions in OTC derivative financial instruments and/or use efficient portfolio management techniques. If the Company needs to resort to this type of operation, then the prospectus will be updated in accordance with current legislation and regulations so that it specifies the types of collateral received by each sub-fund under any such transaction to offset the net exposure per counterparty, the conditions to be met, particularly in terms of liquidity, the valuation, the issuer's credit quality, and the applicable haircut policy, and the Company's annual report shall indicate the identity of the counterparty, if the counterparty is a party linked to the Management Company or the Depositary, and will set out the details of the income generated by these transactions and their related costs.

Under no circumstances may recourse to transactions involving derivatives or other financial techniques and instruments lead the Company to deviate from the investment objectives set out in the prospectus or involve any additional major risk in relation to the risk policy set out in this prospectus.

All income resulting from these efficient portfolio management techniques will revert in full to the Company, and in particular to the sub-fund concerned, after deduction of any direct and indirect operational costs incurred.

These costs and fees may be paid to agents of the Company or other intermediaries providing services relating to techniques for efficient management of the Company's portfolio.

These fees may be calculated as a percentage of the Company's gross income.

Information on direct and indirect operating costs and fees that may be incurred in this regard, as well as the identity of the entities to which these costs and fees are paid (and if these entities are linked to the Company or to the Depositary) shall be available in the Company's annual report.

### **C. Derivative products - Disclaimer**

All sub-funds may use the techniques and derivative instruments set out above (namely interest-rate and currency swaps and other financial instruments, term contracts including futures, options on securities, interest rates and futures contracts) options to optimise the performance of their portfolio, subject to compliance with conditions set out above.

Investors' attention is drawn to the fact that the market conditions and the legislation and regulations in force may restrict the use of those instruments. No guarantee of the success of those strategies can be given. Sub-funds using those techniques and instruments shall bear the risks and costs associated with these investments that they would not have incurred if they had not used these strategies. Furthermore, investors' attention is drawn to the higher risk entailed in the use by sub-funds of those techniques and instruments for purposes other than hedging. If the forecasts by Managers and delegated Managers regarding the stock markets, currencies, and interest rates turn out to be inaccurate, the sub-fund affected could end up in a worse situation than if those strategies had not been used.

With regard to the use of derivative instruments, each sub-fund may carry out over-the-counter transactions on futures and spot contracts on indices or other financial instruments as well as on swaps on indices or other financial instruments with first-class banks and stockbrokers specialised in those types of transactions acting as a counterparty. Although the corresponding markets are not necessarily deemed to be more volatile than other futures markets, traders are less protected from default in respect of their transactions on these markets because the contracts traded on them are not guaranteed by a clearing house.

### **D. Transferable securities and unit funds - Disclaimer**

Each sub-fund's investments are subject to market fluctuations and to the risks inherent in investments in transferable securities, and in particular, but not limited to, investments in equities. The value of an investment may, in particular, be affected by fluctuations in interest rates or in the currency of the country in which the investment has been performed, or by exchange control regulations, the application of tax laws in the different countries, including withholding tax, changes in government or in the economic or monetary policy of the country in question. Therefore, there is no guarantee that the financial objectives will be achieved, and no guarantee of this type is provided.

With regard to investments in units of UCITS and/or other CIUs made by the Company on behalf of a sub-fund (hereinafter a "Fund of Funds Structure"), the attention of investors is drawn to the fact that there may be duplication of the fees payable to the Company's service providers and those payable to the service providers of the UCITS and/or other CIUs in which the Company intends to invest. Consequently, the total operational fees

incurred as a result of a Fund of Funds Structure may be higher than in the case of investments made in other transferable securities or eligible money market instruments, as described in Chapter 2 of this prospectus. Moreover, the value of an investment by a CIU or UCITS in which the Company invests can be affected by currency fluctuations of the country where this CIU or UCITS invests, or by exchange control regulations, the application of taxation laws of different countries, including withholding tax, changes in government or economic or monetary policy in the countries concerned. It should also be noted that the net asset value per share of the Company will fluctuate depending on the net asset value of the given CIUs and/or UCITS, particularly in the case of a CIU investing mainly in shares since it exhibits higher volatility than CIUs investing in bonds and/or in other liquid financial assets.

#### **E. Securities lending and borrowing transactions**

The Company may undertake securities lending and borrowing transactions provided that the following rules are observed:

- (1) The Company may lend securities held in its portfolio under the conditions and in accordance with the terms of CSSF Circulars 08/356, 11/512 and 14/592, and ESMA guidelines 2014/937;
- (2) The Company may lend securities held in its portfolio to a borrower either directly or through a standardised lending system organised by a recognised securities clearing institution or by a lending system organised by a financial institution subject to prudential supervision deemed by the CSSF to be equivalent to that laid down by EU law and specialised in this type of transaction. In any event, the borrower must be subject to supervision rules that the CSSF deems to be equivalent to those laid down by EU law.
- (3) With regard to securities lending, the Company will receive a guarantee prior to or at the same time as the transfer of the securities on loan, the value of which must equate, throughout the life of the loan, to at least 90% of the total value (including interest, dividends and other potential rights) of the securities on loan.
- (4) This guarantee shall be provided in the form of (i) liquid assets and/or (ii) bonds issued or guaranteed by an OECD Member State, its regional public authorities or supranational institutions and bodies of a community, regional or at international level and/or (iii) shares or units issued by money market-type CIUs for which a daily net asset value is calculated and having a rating of AAA or its equivalent and/or (iv) shares or units issued by UCITS investing in the bonds/shares mentioned in points (v) and (vi) hereunder and/or (vi) bonds issued or guaranteed by first-class issuers with adequate liquidity and/or (vi) shares listed or traded on a regulated market of an EU Member State or on a stock exchange of a Member State of the OECD, provided that those shares are included in a major index;
- (5) With regard to a standardised lending system organised by a recognised securities clearing institution or by a lending system organised by a financial institution subject to prudential supervision deemed by the CSSF to be equivalent to that laid down by EU law and specialised in this type of transaction, securities may be transferred before the guarantee is received, provided the intermediary in question guarantees the successful execution of the transaction. The intermediary concerned may provide collateral to the Company in the place of the borrower in accordance with the requirements set out in point (ii) above.
- (6) The Company may only undertake securities borrowing transactions under the following exceptional circumstances: (a) if the Company is involved in a sale of securities from its portfolio at a time when those securities are in the process of being registered with a government authority and therefore are unavailable; (b) if the securities which were loaned are not returned within the required time; and (c) in order to prevent an agreed delivery of securities from failing to happen in the event that the Depository defaults on its obligation to deliver the securities in question.
- (7) The Company must insure that the volume of securities lending transactions is limited to an appropriate level and it must be able to request the return of the securities lent or end the contract in such a way that it can meet its redemption obligations at all times and so that such transactions do not compromise management of the Company's assets in accordance with its investment policy.

The income generated by the securities lending (with operational costs deducted) shall revert to the sub-fund in question.

As at the date of this prospectus, the Company does not engage in securities lending transactions. If the Company needs to resort to this type of operation, then the prospectus will be updated in accordance with current legislation and regulations so that it specifies the types of collateral received by each sub-fund under any such transaction to offset the net exposure per counterparty, the conditions to be met, particularly in terms of liquidity, valuation and

the issuer's credit quality and the applicable haircut policy, and the Company's annual report shall indicate the identity of the counterparty, if the counterparty is a party linked to the Management Company or the Depository, and will mention the details of the income generated by these transactions and their related costs.

#### **F. Sale and repurchase agreements**

The Company may, on an *ad hoc* basis and with a view to stimulating performance, engage in sale and repurchase agreements consisting of the purchase and sale of securities with a clause under which the seller reserves the right to repurchase the securities sold from the purchaser at a price and time agreed by the two parties when the contract is entered into.

The Company may undertake repurchase transactions as a buyer, or as a seller. In undertaking such transactions is nevertheless subject to the following rules:

- (1) The Company may engage in sale and repurchase transactions under the conditions and in accordance with the terms of the CSSF Circulars 08/356, 11/512 and 14/592 and ESMA guidelines 2014/937;
- (2) The Company may only purchase or sell sale and repurchase securities if the counterparty in such transactions is a first-class financial institution specialised in this type of transaction;
- (3) During the life of a sale and repurchase agreement, the Company may not sell the securities acquired under this agreement before the counterparty exercises the right to repurchase or before the repurchase deadline has expired;
- (4) The Company must ensure that the volume of sale and repurchase transactions is limited to a level that enables it to meet its repurchase obligations. The Company must therefore ensure that it is in a position, at all times, to end the transaction or to recall securities or the total cash amount that is the subject of the contract.

As at the date of this prospectus, the Company does not engage in repurchase (*rémeré*) transactions. If the Company needs to resort to this type of operation, then the prospectus will be updated in accordance with current legislation and regulations so that it specifies the types of collateral received by each sub-fund under any such transaction to offset the net exposure per counterparty, the conditions to be met, particularly in terms of liquidity, valuation and the issuer's credit quality and the applicable haircut policy, and the Company's annual report shall indicate the identity of the counterparty, if the counterparty is a party linked to the Management Company or the Depository, and will provide details of the income generated by these transactions and their related costs.

### **3. INVESTMENT RISKS**

Each sub-fund's investments are subject to market fluctuations and to the risks inherent in investments in transferable securities, and in particular, but not limited to, investments in equities. The value of an investment may, in particular, be affected by fluctuations in interest rates or in the currency of the country in which the investment has been performed, or by exchange control regulations, the application of tax laws in the different countries, including withholding tax, changes in government or in the economic or monetary policy of the country in question. Therefore, there is no guarantee that the financial objectives will be achieved, and no guarantee of this type is provided.

The investor must in particular consider the following risks:

**Equity risk:** the investors' attention is drawn to the approach adopted by sub-funds whose performance is linked to the equity markets. This means that if the equities markets fall, the sub-fund's net asset value may decline.

**Risk related to small and mid-cap:** investments in "small and mid-cap" engender a risk related to the higher volatility of such securities.

**Tax risk:** investments in bonds or other fixed income securities may record negative performances as a result of fluctuations in interest rates. Generally, the prices of fixed-income securities rise when interest rates fall, and fall when interest rates rise. A possible drop in interest rate markets will have a bearish impact on the liquidation value of the sub-fund.

**Liquidity risk:** the markets in which the sub-funds operate may occasionally be affected by a temporary lack of liquidity. These market distortions may impact the pricing conditions under which sub-funds may be required to liquidate positions if there are significant redemptions.



**Exchange-rate risk:** the Sub-Fund may be exposed to exchange rate risk for currencies outside the Euro zone or the European Union.

The net asset value of a sub-fund, as expressed in the currency of denomination of that sub-fund, will fluctuate depending on the existing exchange rates between the currency in which that sub-fund is expressed and the currency in which the securities held by this sub-fund are denominated. This sub-fund may therefore be exposed to currency risk. The sub-fund concerned may not be able, for practical reasons or because it is not possible, to hedge exchange-rate risks.

**Counterparty risk:** this is the risk of default by a counterparty leading to default of payment. The use of OTC forward financial instruments with a credit institution may result in an exposure to the risk that the credit institution will not be able to honour its commitments under these operations.

**Credit risk:** This represents the potential risk of the downgrading of the issuer's signature or in the extreme case, of default, which will have a negative impact on the price of the debt securities issued by this same issuer and therefore on the net asset value of the sub-fund and may result in a capital loss. The level of credit risk is variable depending on payments in advance, maturities and the degree of confidence in each issuer, which may reduce the liquidity of the securities of a particular issuer and have a negative impact on the net asset value of the sub-fund in the event, notably, of liquidation by the sub-fund of its positions in a market with a reduced volume of transactions.

**Risk associated with discretionary management:** there is a risk that the Company will not, at any time, be invested in the best-performing market or sectors. Discretionary management is based on anticipating the trend of the various equity markets in the investment universe.

**Risk related to the use of derivative financial instruments:**

Each sub-fund may, subject to the investment restrictions laid down in the Section "Investment and Investment Restrictions", invest in derivative financial instruments traded on an official market or OTC for the purposes of efficient portfolio management and/or to protect its assets and liabilities.

The use of derivatives may result in a degree of leverage which can cause greater volatility and/or greater variations of the net asset value of the sub-funds than in the absence of a leverage effect. In fact this leverage tends to exaggerate the effect of any increase or decrease in the value of the securities and other instruments of the funds concerned.

By investing in derivative financial instruments traded on an official market or OTC, the Company is exposed to:

- market risk, characterised by the fact that fluctuations are liable to adversely affect the value of a derivative financial instrument contract as a result of changes in the listed market price or value of the underlying instrument;
- liquidity risk, characterised by the fact that a party is unable to meet its actual obligations and initiate a transaction or liquidate a position at an advantageous price; and
- risk management, characterised by the fact that the internal risk management system is, in part, inadequate or cannot properly control the risks consecutive to derivative financial instrument transactions.

Participants in the OTC market are also exposed to risk linked to a counterparty, since this type of market does not provide any protection in the case of a defaulting counterparty due to the absence of an organised clearing system. The use of derivative financial instruments cannot be considered as a guarantee of a result as regards the intended goal.

**Risks related to investments in other CIUs:**

Investment by the Company in other CIUs or UCITS entails the following risks:

The value of an investment by a CIU or UCITS in which the Company invests can be affected by currency fluctuations of the country where this CIU or UCITS invests, or by exchange control regulations, the application of taxation laws of different countries, including withholding tax, and changes in government or economic or monetary policy in the countries concerned. It should also be noted that the net asset value per share of the Company will fluctuate depending on the net asset value of the given CIUs and/or UCITS, particularly in the case of a CIU investing mainly in shares since it exhibits higher volatility than CIUs investing in bonds and/or in other liquid financial assets.

With regard to investments in units of UCITS and/or other CIUs made by the sub-fund (hereinafter a "Fund of Funds Structure"), the attention of investors is drawn to the fact that there may be duplication of the fees payable to the Company's service providers and those payable to the service providers of the UCITS and/or other CIUs in which the Company intends to invest. Consequently, the total operational fees incurred as a result of a Fund of Funds Structure may be higher than in the case of investments made in other transferable securities or eligible money market instruments, as described in this prospectus.

**Risks of potential conflicts of interest:**

The Management Company, Manager or adviser (if any), their representatives (if any), distributors (if any), central administration agent and depositary may, from time to time, perform the duties of company management, Manager

or adviser, distributors, central administrative agent, or depositary in other funds or collective investment undertakings whose investment aims are similar to those of any sub-fund of the Company.

The directors of the Management Company, the directors of the Manager (if any), their representatives (if any), and their personnel may engage in activities other than those related to the Company, including consulting and other services (including, without limitation, as a director) for other companies and entities, not excluding those in which the Company invests.

In the normal course of their business, the persons and entities above may have potential conflicts of interest with the Company.

Any kind of conflict of interest must be fully disclosed to the Board of Directors.

Where this is the case, each person and entity must comply with their obligations under the contracts or agreements linking them to the Company.

The directors of the management company, directors of the Manager (if any), directors of their representatives (if any) and their personnel must devote the time and effort necessary and appropriate for the business of the Company.

Although the intention is to avoid these conflicts of interest, the management company, Manager (as applicable), their representatives (if any) and their members must try to resolve all the conflicts in way that is fair to all parties given the circumstances and that best serves the interests of the Company and its shareholders.

#### **Risks associated with securities lending transactions:**

The main risk associated with securities lending transactions is that the borrower of the securities becomes insolvent or unable to return the borrowed securities and that, simultaneously, the value of the pledged assets does not cover the cost of replacing the securities that have been lent.

If the cash received as collateral is reinvested, the value of the assets in which that cash has been invested is likely to be less than the value of the securities lent by the Company.

Investors' attention is also drawn to the fact that the Company that lends securities abandons the voting rights attached to them for the duration of the loan.

#### **ESG Risks**

ESG risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Sub-Fund's investments. Such risks are principally linked to climate-related events resulting from climate change (physical risks) or to the society's response to climate change (transition risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into ESG Risks.

#### **Emerging markets Risk**

Because of the special risks associated with investing in emerging or developing markets, certain Sub-Funds should be considered as more speculative. Investors are strongly advised to consider carefully the special risks involved in developing markets, which are greater than the usual risks of investing in foreign securities.

Economies in developing markets generally are dependent heavily upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in emerging markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may acquire Sub-Funds to accept greater custodial risks in order to invest, although the Depositary Bank will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of the concerned Sub-Fund to make intended securities purchases due to settlement problems could cause the Sub-Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to the Sub-Fund due to subsequent declines in value of the portfolio security or, if the Sub-Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the Sub-Fund's portfolio securities in such markets may not be readily available.

## **4. RISK MANAGEMENT PROCEDURE**

The Management Company on behalf of the Company uses a risk management procedure that allows it to assess the sub-funds' exposure to the risks of market, liquidity, counterparty and other risks, including operational risk, that are material for the sub-funds.

As part of the risk management process, the commitment approach or the relative and absolute "value-at-risk" (hereinafter "VaR") approach is used to manage and measure the overall exposure of each sub-fund. The choice of approach is based on the investment strategy of each sub-fund and the types and complexity of the derivative financial instruments used, as well as the proportion of the portfolio of the sub-fund composed of derivative financial instruments.

The method of calculating the overall exposure of each sub-fund is indicated in Annex 1 in the fact sheets describing the sub-funds.

With respect to derivative financial instruments, the Management Company must employ a process (or processes) for an accurate and independent assessment of the value of OTC derivative instruments and it must ensure that the overall risk exposure of the derivative financial instruments for each sub-fund does not exceed the total net value of its portfolio.

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

## **5. NET ASSET VALUE**

The net asset value per share of each sub-fund or share class in the Company ("net asset value") is calculated under the responsibility of the Board of Directors of the Company at least twice a month in Luxembourg for each sub-fund and/or share class, at the frequency indicated in the listing for each sub-fund (the day of calculation being referred to hereinafter as "Valuation Day"). If the valuation day is not a full business day in Luxembourg, the net asset value will be calculated on the next subsequent full business day, unless otherwise specified in the fact sheet for each sub-fund.

The net asset value of each sub-fund or share class will be denominated in the base currency of the sub-fund or share class, as specified in the fact sheet of each sub-fund.

The number of decimal places for the net asset value per share will be a maximum of five.

The Net Asset Value per share for each class will be determined by dividing the net assets (consisting of the assets attributable to the sub-fund concerned less its liabilities) concerned by this class by the total number of shares of the same class in circulation in the sub-fund on the Valuation Day concerned.

The valuation will be performed as follows:

The assets of the Company shall include the following:

- (1) all cash on hand or on deposit, including accrued interest;
- (2) all bills and demand notes and accounts payable (including the results of the sale of securities whose price has not yet been received);
- (3) all securities, units, shares, bonds, debt securities, option or subscription rights and other investments and securities owned by the Company;
- (4) all dividends and distributions receivable by the Company (on the understanding that the Company may make adjustments with regard to fluctuations in the market value of securities caused by practices such as ex-dividends or ex-rights trading or similar practices);
- (5) all accrued interest from the securities owned by the Company except if this interest is included in the principal of such assets;
- (6) the formation expenses of the Company, insofar as they have not been written off;
- (7) all other assets of any nature whatsoever, including prepaid expenses.

The value of these assets shall be determined as follows:

- (1) the value of cash on hand or on deposit, bills and demand notes and accounts payable, prepaid expenses and dividends and interest announced or due but not yet received, shall be constituted by the nominal

value of these assets, unless it is unlikely that this value can be received; in the latter case, the value will be determined by reducing such amount to that which the Company considers appropriate for reflecting the true value of these assets;

- (2) the value of the assets admitted to official listing or any other regulated market, recognised and open to the public, is based on the most representative market prices and/or past operations on these markets by the Managers or other market players. It may be the last known price or the price at any other time on the markets deemed most representative by the Board of Directors, taking into account liquidity criteria and past operations in the markets concerned. It may be the last known price or the price at any other time on the markets deemed most representative by the Board of Directors, taking into account liquidity criteria and past operations in the markets concerned. If the Board of Directors believes that the market price is not representative of the value of an asset, the valuation will be based on the probable realisation value that the Board of Directors will estimate prudently and in good faith;
- (3) assets unlisted or not traded on a stock market or any other regulated market, operating regularly, recognised and open to the public, will be valued based on their probable realisable value, estimated prudently and in good faith;
- (4) units/shares of open-ended CIUs, or UCITS will be valued based on the last known net asset values, or, if the price determined is not representative of the real value of these assets, the price will be determined by the Board of Directors in a just and equitable manner. Units/shares of type closed-end CIUs are valued based on their last market value;
- (5) cash and money market instruments may be valued at their nominal value plus accrued interest or on the basis of straight-line depreciation. All other assets may be valued, to the extent possible, in the same manner;
- (6) all other assets will be valued by the Board of Directors on the basis of their probable realisation value, which must be estimated in good faith and according to generally accepted principles and procedures.

The Board of Directors, at its sole discretion, may allow the use of any other generally accepted valuation method if it considers that such valuation better reflects the probable realisable value of an asset held by the Company.

Assets not expressed in the currency of the sub-fund or class will be converted into this currency at the exchange rate in force in the Grand Duchy of Luxembourg on the valuation day concerned.

The Company's commitments will include:

- (1) all loans, bills due and accounts payable;
- (2) all known liabilities, due or not, including all contractual obligations matured for payments, that relate to payments in cash or in kind (including the amount of the dividends announced by the Company but not yet paid);
- (3) an appropriate provision for future taxes on capital and on income, accrued up to the valuation day and periodically determined by the Company and, if any, any other reserves authorised or approved by the Board of Directors;
- (4) all other liabilities of the Company, of any nature and kind whatsoever, except liabilities represented by the shares of the Company. To value the amount of these other commitments, the Company will take into account all the expenses payable by it, including, without limitation, the subsequent costs of creating and modifying the Company's Articles of Association, the prospectus or any other document relating to the Company, commissions and expenses payable to the Management Company, the Manager, accountant, depositary and correspondent agents, domiciliary agent, administrative agent, transfer agent, paying agents or other agents, service providers, agents and/or employees of the Company, as well as permanent representatives of the Company in countries where it is subject to registration, costs of legal assistance and auditing of the financial statements of the Company, costs of promotion, costs of printing and publication of share sale documents, costs of printing annual and interim financial reports, costs of holding assemblies and meetings of the Board of Directors, costs of reasonable travel for administrators and directors, directors' fees, costs of making registration declarations, all taxes and duties withheld by government authorities and stock exchanges, costs of publishing issue prices and redemption prices and all other operating expenses, including financial, bank or brokerage charges incurred when buying or selling assets or otherwise, and all other administrative costs. To value the amount of these commitments, the Company will take into account, on a *pro rata temporis* basis, the administrative and other expenses which are of a regular or recurring nature. The calculation of the fee received by the Depositary will be based on the monthly average net assets of each of the Sub-Funds.

Pursuant to Section 181 of the 2010 Act, an investment company with multiple sub-funds constitutes a single legal entity and, by derogation from Article 2093 of the Luxembourg Civil Code, the assets of a specific sub-fund only cover the debts, liabilities and obligations of that sub-fund. Incidentally, if the Company enters into liabilities that fall to one sub-fund in particular, only the assets of that sub-fund will be committed vis-à-vis the creditors concerned. The assets, liabilities, charges and expenses that are not attributable to a sub-fund will be charged to

the different sub-funds in equal parts or, as far as the amounts concerned justify it, *pro rata* based on their respective net assets. Each Company share in the process of being redeemed shall be considered issued and in existence until the end of the Valuation Day applicable to the redemption of that share, and, from the closure of that day and until its price has been paid, its price will be deemed to be a liability of the Sub-fund in question. Each share to be issued by the Company in accordance with subscription applications received shall be deemed issued, from the end of the Valuation Day for its issue price, and this price shall be treated as an amount due to the Company until it is received by it. Wherever possible, account will be taken of any investment or divestment decided by the Company up to the Valuation Day.

## **6. SUSPENSION OF CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REDEMPTION AND CONVERSION OF SHARES**

### **Suspension of calculation of the Net Asset Value**

The Board of Directors may temporarily suspend, with immediate effect, calculation of the net asset value of one or more sub-funds, as well as of issues, conversions and redemptions, in the following cases:

- (a) during any period when a market or stock exchange that is the market or stock exchange where a substantial portion of the sub-fund's investments at a given time are listed, is closed, except for normal closing days, or during which trading is subject to major restrictions or is suspended;
- (b) when the political, economic, military, monetary or social situation or any force majeure event beyond the responsibility or power of the Company makes it impossible to dispose of its assets by reasonable and normal means without seriously harming the shareholders' interests;
- (c) during any breakdown in communications normally used to determine the price of any investment of the Company or the current prices on any market or stock exchange;
- (d) when restrictions on foreign exchange or capital movements prevent the execution of transactions on behalf of the Company or when the purchase or sale operations of the Company's assets cannot be carried out at normal exchange rates;
- (e) from the notice convening a general meeting of shareholders at which the dissolution of the Company will be proposed;
- (f) when the calculation of the net asset value of a UCITS/CIU in which the Company has invested a substantial portion of the assets of one or more funds or one or more share classes is suspended or is unavailable, or when the issue, redemption or conversion of shares or units of such UCITS or other CIU is suspended or restricted;
- (g) during the period in which the calculation of the net asset value of the Master UCITS or the Master Sub-Fund is suspended;
- (h) as well as in any cases where the Board of Directors decides by a reasoned resolution that such suspension is necessary to safeguard the general interests of the shareholders concerned.
- (i) following the suspension of the calculation of the net asset value per unit, the issue, redemption and/or conversion at the level of a master fund in which a Sub-Fund invests in its quality as feeder fund of such master fund

In these exceptional circumstances, which may adversely affect the interests of the shareholders, the Board of Directors reserves the right to temporarily suspend calculation of the net asset value and only set the value of a share after having disposed of the necessary securities, as soon as possible. Where this is the case, any subscriptions, redemptions and conversions awaiting execution will be processed simultaneously on the basis of the net value thus calculated.

### **Suspension of the Issue, Redemption and/or Conversion of Shares**

In certain other exceptional circumstances that may adversely affect the interests of the shareholders, the Board of Directors also reserves the right not to accept, during the same valuation day, sales or exchanges totalling more than 10% of the total value of shares of a sub-fund. In such cases, the transfer of shares may be deferred to a later valuation day determined after the requisite sales of securities have been performed, as soon as possible, on behalf of the sub-fund. These transfer instructions are executed by priority before any subsequent instructions.

Subscribers and shareholders offering shares for redemption or conversion will be notified of the suspension of the calculation of the net asset value. Subscriptions, conversions and requests for redemption that have been suspended may be withdrawn, subject to written notification being received by the Company before the suspension comes to an end. Subscriptions, conversions and redemptions that are suspended will be taken into consideration on the first valuation day following termination of the suspension. Assuming that not all such requests can be processed on a single valuation day, the earliest requests will have priority over more recent requests.

## **7. ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The shares of each sub-fund and/or share class of the Company are issued, redeemed or converted at a price determined at the frequency indicated in the fact sheet for each sub-fund.

### **7.1 Issuing of shares**

The shares of each sub-fund or share class are issued on each valuation day ("Issue Date"), unless determination of the net asset value and the issue, conversion and redemption of shares are suspended, as set out in this prospectus. The shares offered in this way are allocated to those whose subscriptions were received by the Registrar and Transfer agent on or before 4 p.m. in Luxembourg on the valuation day in question, and, if that day is not a business day in Luxembourg, at the latest on the first business day preceding that day, failing which the shares so offered will be allocated and the issue price calculated on the next valuation day unless otherwise specified in the fact sheet relating to a particular sub-fund.

Subscriptions are formalised by submitting a duly completed and signed subscription form.

Unless otherwise specified in the special terms and conditions detailed in the fact sheet for each sub-fund, subscriptions shall be made on the basis of the number of shares subscribed to. Fractions of shares up to five decimal places may be issued.

The issue price is equal to the net asset value per share of the sub-fund or share class concerned on the valuation day, plus, where applicable, a subscription fee, of which the maximum amount differs according to the sub-fund and/or share class in which the investor is subscribing, as indicated in the fact sheet for each sub-fund.

If the sub-fund is a master sub-fund, the sub-fund feeder will not pay any subscription fee.

Payment for subscribed shares shall be made in the reference currency of the sub-fund and/or share class concerned, as specified in the fact sheet for each sub-fund.

Any change to the maximum subscription fee set out in the fact sheet of a sub-fund shall be determined by the Board of Directors of the Company and the fact sheet of the sub-fund concerned shall be updated.

The minimum amount of each subscription may vary depending on the sub-fund and/or share class to which the investor subscribed, as indicated in the fact sheet of each sub-fund.

Any taxes and brokerage fees payable on the subscription are charged to the subscriber.

The Company has the right, at its discretion and at any time, to suspend the issue of shares and decide to reject an application for subscription.

The Board of Directors may restrict or prevent the ownership of shares in the Company by any person or entity, if the Company considers that this ownership would lead to a breach of the law of the Grand Duchy of Luxembourg or elsewhere, that it may make the Company subject to tax in a country other than the Grand Duchy, or that it may otherwise be detrimental to the Company.

The shares for which the Company has received a subscription it has accepted will be assigned on the Issue Date. The issue price must be paid within the deadlines detailed in the fact sheet for each sub-fund. Failing receipt of the price, the Company may cancel the issue, reserving the right, however, to claim any commissions and expenses that may be payable.

Unless otherwise provided for a particular sub-fund, subscriptions are payable in the currency of denomination of the shares concerned.

The Company may agree to issue shares in return for a contribution in kind of securities, e.g. in the case of a merger with an external sub-fund, provided that those securities comply with the aims and investment policy of the sub-fund concerned and are in accordance with the provisions of Luxembourg law, and notably the obligation to provide a valuation report, drawn up by the Company's statutory auditor, that may be consulted. All costs relating to contribution in kind of securities shall be borne by the shareholders concerned.

## **7.2 Redemption of shares**

Each shareholder has the right to request the redemption of its shares at any time under the conditions and limits set in the Company's Articles of Association and by law.

The redemption request must be presented by the shareholder in writing, and irrevocably, at the registered office of the Company.

Without prejudice to the legal causes of suspension, the Company may suspend valuation of the net asset value of the shares and the issue, redemption and conversion of the shares of shareholders at any time under the conditions indicated below.

For each share presented for redemption, the amount reimbursed to the shareholder shall be equal to the net asset value for the relevant sub-fund, determined on the first valuation day following receipt of the request, minus a commission, if any, the maximum amount of which varies depending on the sub-fund and/or share class, as indicated in the fact sheet for each sub-fund.

If the sub-fund is a master sub-fund, the sub-fund feeder will not pay any redemption fee.

Any change in the maximum redemption fee set out in the fact sheet of a sub-fund will be determined by the Board of Directors of the Company and the fact sheet of the sub-fund will be updated and the change will be announced with one month's notice to shareholders if the fee is increased.

The redemption price shall be the price calculated on the valuation day unless valuation of the value of the sub-fund net asset value or reference share class is suspended, in which case the calculation will take place on the date on which the suspension ends.

Unless otherwise provided for a particular sub-fund, the redemption amount for each share will be reimbursed in the currency of denomination of the shares concerned.

The redemption price may be higher or lower than the price paid at the time of subscription (or conversion), depending on whether the net asset value has appreciated or depreciated in the meantime.

The redemption request must be received by the Registrar and Transfer agent no later than 4 p.m. in Luxembourg on the valuation day in question and, if that day is not a business day in Luxembourg, by the first business day preceding that day, failing which the shares will be redeemed at the redemption price calculated on the next Valuation Day.

Payment of the redemption price will normally be made within the deadlines specified in the fact sheet for each sub-fund.

Neither the Board of Directors nor the Depositary may be held liable for any failure to make payment arising from the application of exchange controls or other circumstances outside their control that limit the transfer abroad of the proceeds from the redemption of shares or make any such transfer impossible.

The value of the shares at the redemption date may be higher or lower than the purchase price. Redeemed shares will be cancelled.

The Company has the right, if the Board of Directors so decides, to reimburse other than in cash any shareholder requesting redemption of shares, by allocating to the holder the investment income made from the pool of assets established for this (these) class(es) of shares equivalent in value on the valuation day on which the redemption price is calculated in relation to the value of the shares to be reimbursed. The nature and type of assets to be transferred in this case are determined on a fair and reasonable basis, and without prejudice to the interests of other holders of the class or classes of shares involved, and the value calculated must be confirmed in a special report by the auditor. The costs associated with such transfers are borne by the transferee.

## **7.3 Conversion of shares**

### **7.3.1 Conversion request**

Unless otherwise provided for the sub-funds or share classes, the switch from a sub-fund or share class to another will be made on a common "Valuation Day", by conversion of the shares of one sub-fund or share class into the shares of another, after deduction of any commission, the maximum amount of which differs depending on the sub-fund and/or share class, as indicated in the fact sheet for each sub-fund.

If the sub-fund is a master sub-fund, the sub-fund feeder will not pay any conversion commissions.

Any change to the maximum conversion fee set out in the fact sheet of a sub-fund shall be determined by the Board of Directors of the Company, and the fact sheet of the sub-fund concerned shall be updated and the change will be announced with one month's notice to shareholders if the fee is increased.

This conversion will be conducted in accordance with the formula set out below. Completed request forms must reach the Company by 4 p.m. in Luxembourg on the valuation day in question and, if that day is not a business day in Luxembourg, by the first business day preceding that day. Those received after 4 p.m. will be deferred to the next valuation day.

### 7.3.2 Conversion procedure

Shareholders of a sub-fund or share class will be entitled to convert part or all of their holding into the shares of another sub-fund or class by submitting a conversion request to the Company or an authorised agent.

Share conversion requests must be addressed to the Company by fax, telex or by post. Requests must indicate the number of shares of a sub-fund or class to be converted and in what proportions their value should be assigned to each new sub-fund or new class.

The basis for conversion is related to the respective net asset values per share of the two sub-funds or classes concerned.

The Board of Directors of the Company or the agent, on their behalf, are required to calculate the number of shares into which the shareholder wishes to convert their existing shares according to the following formula:

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

Formula in which:

- A is the number of shares of the new Sub-Fund/class to which the shareholder will be entitled;
- B is the number of shares of the original sub-fund/class of which the holder of the shares requested conversion;
- C is the amount of the net asset value of one share of the original Sub-Fund/class;
- D is the amount, if any, that the Board of Directors of the Company may decide, from time to time, to charge as a conversion fee, the maximum amount of which varies depending on the sub-fund and/or share class, as specified in the fact sheet for each Sub-Fund;
- E is the Net Asset Value of a share of the new Sub-Fund/class;

and

- F is the currency conversion factor that the Board of Directors of the Company will have calculated, if any, on the valuation day in question, as corresponding to the actual conversion rates for the currencies in question on that date.

## 7.4 General rules

The Board of Directors reserves the right to (a) refuse all or part of a request for subscription/ conversion of shares and (b) to redeem at any time shares held by persons who are not authorised to buy or hold shares of the Company.

The Board of Directors may set the minimum amounts for subscription, conversion, redemption and holding for each sub-fund, provided that they are specified in the fact sheet for the sub-funds concerned. In the absence of such details, the minimum subscription, conversion and redemption amount must correspond to the subscription price (commissions, taxes and costs included) of a share, this price being variable over time. The minimum holding per sub-fund is one share. If, following redemption or conversion, an investor holds shares in a sub-fund amounting to less than the minimum holding, the Board of Directors may proceed with the forced redemption or conversion of the shares held.



The Board of Directors may temporarily suspend the issue, conversion and redemption of the shares of any sub-fund or class, as well as calculation of their net asset value.

In general, and independently of decisions motivated by the application of rules on the prevention of money laundering, the Company may reject any subscription without having to justify its reasons.

The Board of Directors of the Company does not allow practices associated with "Late Trading" and "Market Timing". The hours for acceptance of subscription, conversion and redemption orders for shares are given in this chapter of this prospectus and these orders are executed at an unknown net asset value. The Board of Directors reserves the right to reject orders from any investor that it suspects may use such practices and to take, where appropriate, the measures necessary to protect other investors of the Company.

"Late Trading" means the acceptance of a subscription, conversion or redemption order received after the cut-off time for the acceptance of orders on the day concerned and its execution at the price based on the net asset value applicable on that day.

"Market Timing" means the arbitrage technique whereby an investor systematically subscribes and redeems or converts shares of the Company within a short period of time by exploiting the time differences and/or imperfections or deficiencies of the system for determining the net asset value of the Company.

## **8. STOCK EXCHANGE LISTING**

The shares of each sub-fund of the Company may, by decision of the Company's Board of Directors, be listed on the Luxembourg Stock Exchange, as specified in the fact sheet for each Sub-Fund.

## **9. MONEY LAUNDERING PREVENTION**

As part of the prevention of financial crime, the Luxembourg Act of 12 November 2004, as amended, and the related regulations and circulars of the Luxembourg supervisory authority, lay down obligations designed to prevent the use of collective investment undertakings (CIUs), such as Investment Companies with Variable Capital (ICVCs), for money laundering purposes. In this regard, an investor identification procedure is compulsory. Subscribers (and, where applicable, the beneficial owners) must disclose their identity to the Management Company or, where applicable, to the Registrar and Transfer Agent, by means of a certified true copy of their passport or identity card for natural persons, and/or the Articles of Association for legal entities, together with a recent original excerpt from the Trade Register and, where applicable, a certified true copy of the authorisation to practice issued by the competent authority. This information is gathered solely for verification purposes.

If the documentation required for identification purposes is not provided, the subscription request may be suspended until the funds in question have been correctly identified.

## **10. COMPANY OPERATIONS**

### **10.1 General meetings, Financial Year and Reports**

Duly constituted General Meetings of Shareholders of the Company shall validly represent all of the Company's Shareholders. It shall have the broadest powers to order, carry out or ratify all acts relating to the Company's business. The general meeting of shareholders shall be held in Luxembourg, at the registered office of the Company or at any other place in the City of Luxembourg stated in the convening notice, on the last Thursday of the month of April of each year, at 11 a.m. If that day is a public holiday, the general meeting will be held the next working day. The annual general meeting may be held abroad if the Company, at its discretion, feels that this is warranted by exceptional circumstances.

Other shareholders' meetings shall be held at the time and place specified in the convening notice.

The call for any general meeting of shareholders will be subject to review in the manner and time laid down by Luxembourg law and the Articles of Association of the Company. Similarly, the general meeting of shareholders shall deliberate as prescribed by Luxembourg law and under the Articles of Association of the Company.

Notwithstanding Article 67(4) of the Act of 10 August 1915 on commercial companies, as amended, notices of general meetings of shareholders may provide that the quorum and the majority at the general meeting be determined based on the units issued and outstanding on the fifth day preceding the general meeting at 00h00

(Luxembourg time) (referred to as "Record Date"). The rights of a shareholder to attend a general meeting and to exercise the voting rights attached to its shares shall be determined based on the shares held by that shareholder as at the Record Date.

Notwithstanding Article 73, paragraph 2, of the Act of 10 August 1915 on commercial companies, as amended, the Company is not obliged to submit annual accounts, the approved auditor's report, the management report nor, where applicable, the observations of the Board of Directors to registered shareholders at the same time as the notice convening the annual general meeting.

In accordance with Article 5 of the Articles of Association of the Company, the Company's capital is represented by fully paid-up shares with no par value. Also, under the terms of Article 10 of the Articles of Association of the Company, any share, regardless of its net asset value, is entitled to one vote. Fractional shares do not confer any voting rights. All shares contribute equally to decisions to be taken in a general meeting when decisions concern the Company as a whole.

All shareholders may attend shareholder meetings by appointing another person in writing, by cable, by telex or by fax as their representative, who need not be a shareholder.

Unless otherwise provided for by law, resolutions at general meetings must be passed by a simple majority of votes present and cast.

The Board of Directors may determine other conditions to be met by shareholders in order to take part in the general meeting.

If all shareholders are present or represented and they state that they are aware of the agenda, the meeting may be held without a prior convening notice.

The extraordinary general meeting of shareholders may amend the Articles of Association of the Company, subject to the criteria for a quorum and a majority laid down by law.

The Company draws the attention of investors to the fact that any investor may only fully exercise its rights directly against the Company (notably the right to participate in general meeting of shareholders) if the investor is registered in its own name in the shareholders' register. In cases where an investor invests in the Company through an intermediary investing in the Company in its name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

The Company's financial year begins on 1 January of each year and ends on 31 December of the same year. The first financial year started when the company was incorporated and expires on **31 December 2016**.

The first ordinary annual general meeting shall take place in 2017.

The Company shall publish a detailed report of its activity and its asset management annually. This report shall contain the balance sheet and the consolidated income statement expressed in euros, the detailed breakdown of the assets of each Sub-Fund and the auditor's report. Furthermore, at the end of each semester, it shall publish a report including, in particular, the portfolio composition, the portfolio movements during the period, the number of shares outstanding and the number of shares issued and redeemed since the last publication.

The annual reports containing the audited financial statements and the unaudited semi-annual reports are available at the registered office of the Company and can be obtained free of charge on request.

## **10.2 Dividends**

The general meeting of shareholders shall determine, on proposal by the Board of Directors of the Company, the use to be made of the balance of the annual profit.

It may decide to distribute the net assets of the Company up to the limits stipulated in Article 31 of the 2010 Act.

Dividends will be paid out at the places and on the dates determined by the Board of Directors.

The Board of Directors may pay an interim dividend under the conditions laid down in the 2010 Act.

Any dividend declared that has not been claimed within 5 years of being announced may no longer be claimed; the shareholder shall forfeit its rights to the dividend, which shall revert to the Company. No interest shall be paid on dividends declared and unclaimed.

### 10.3 Expenses and fees

#### A. The Company shall bear the following fees:

- (a) Formation expenses: the Company shall bear initial set-up costs, including costs for preparing and printing the prospectus, notary fees, introductory fees for registering with the administrative authorities, and any other fees related to the formation and launch of the company. These expenses shall be amortised over a period not exceeding the first five financial years of the company and will be charged against all sub-funds existing on incorporation or subsequently incorporated.
- (b) the remuneration of Directors of the Company, the amount of which shall be decided at the general meeting of shareholders;
- (c) the fees of the Depositary and the Domiciliary Agent;
- (d) the fee of the Management Company;
- (e) the fee of the Managers;
- (f) the research fees;
- (g) the performance fee.
- (h) the fee of the Administrative Agent and the Registrar and Transfer Agent;
- (i) the fee of the distributor(s) if applicable;
- (j) costs linked to the monitoring of investment risks, policies and restrictions provided by FundPartner Solutions (Europe) S.A.;
- (k) all taxes and levies that may be incurred on the Company's assets and income, in particular the subscription tax on net assets of the Company;
- (l) bank charges incurred during transactions relating to the securities held in the portfolio;
- (m) the fees of legal advisers and of the Auditor of the Company;
- (n) extraordinary expenses such as, for example, expertise or proceedings specific to safeguarding the interests of shareholders;
- (o) the costs of preparing, printing and submitting administrative documents and explanatory reports to the authorities;
- (p) the costs of preparing, translating, printing, submitting, distributing prospectuses, regular reports and other documents required by law and under the Articles of Association of the Company;
- (q) reasonable costs corresponding to the cost of promoting the Company as determined in good faith by the Board of Directors, including distribution, marketing and advertising and management committees costs intended to determine and/or describe the management policy for all shareholders;
- (r) the rights related to listing the Company in the stock market but also to inscription in any other institution or authority;
- (s) the costs of preparing, distributing and publishing notices to shareholders;
- (t) all other similar operational costs.

A sub-fund may incur charges relating to investment research which is or may be received by the Manager(s) in managing the assets of the sub-fund, charges which are currently paid by the sub-fund as part of applicable brokerage fees and commissions. In this regard, the Manager(s) intends to operate research payment accounts

("RPA(s)") in order to ensure that they comply with their regulatory obligations under MiFID II. The RPA(s) operated by the Manager(s) shall be funded by a specific research charge to the relevant sub-fund and shall be used to pay for investment research received by the Manager(s) from third parties and must be operated in accordance with the requirements of MiFID II. The Manager(s), in conjunction with the Board of Directors, shall set and regularly assess a research budget for the relevant sub-fund and shall agree the frequency with which such charges will be deducted from the relevant sub-fund assets, instead of being paid by it through brokerage fees and commissions. Details as to these charges shall be available in the financial statements of the Company.

On-going expenses: MiFID II requires sub-distributors engaged by the Company to disclose to shareholders and potential shareholders, on an ex-ante and ex-post basis, reasonable estimation of all costs and charges related to an investment in classes of a sub-fund (e.g., management fees, depositary fees, research charges, etc.). The Company and/or the Manager(s) has decided to provide sub-distributors with the requisite information relating to the potential target market for each sub-fund under the European MiFID Template (EMT) published by EFAMA, for such agents to comply with their point of sale obligations under MiFID II. The costs of the preparation of the EMT may be recharged to the relevant sub-fund.

Other charges: the specific fees payable by a sub-fund, including the fees paid to the Manager(s) and/or the Investment Advisor(s), are fixed for each sub-fund in its Appendix.

The Manager(s) and/or the Investment Advisor(s) and their affiliates may pay a portion of their fees or other assets to third party entities (in particular advisers, sub-distributors, platforms, clearing agents and service providers) that assist the Manager(s) and/or the Investment Advisor(s) in the performance of their duties (including in connection with the sale of shares) or provide certain administrative or onboarding services, directly or indirectly, to the sub-fund or the shareholders. In return for these payments, the sub-fund may receive certain marketing or servicing advantages for the placement of the sub-funds, as investment options to an intermediary's clients, and granting access to sales personnel of the financial intermediary.

Additionally, the Manager(s) and/or the Investment Advisor(s) may, at their discretion, contribute from their own assets towards the expenses attributable to the establishment and/or operation of the Company (or any particular sub-fund) and/or the marketing, distribution and/or sale of shares. The Manager(s) and/or the Investment Advisor(s) may, from time to time, waive any or all of its fees with respect to certain classes or use part of its investment management fee to remunerate or otherwise pay fees to certain financial intermediaries, platforms, and/or introducing parties.

Notwithstanding the foregoing, certain sub-transfer agency, clearing and administrative fees are to be borne out of the assets of the sub-funds if properly invoiced.

Overheads are divided among each sub-fund or share class proportionately to the assets of the sub-fund or share class, and the expenses specific to each sub-fund or share class are charged to the sub-fund or class which incurred them.

The cost of creating a new sub-fund or share class shall be amortised against the assets of that sub-fund or of that class over a period of no more than five years for an annual amount determined equitably by the Company's Board of Directors.

#### **B. Costs and expenses borne by the shareholder:**

- (a) Current subscription: shares are issued at a price corresponding to the net asset value per share, without subscription fee, unless otherwise specified in each sub-fund's descriptive fact sheet.
- (b) Redemption procedure: the price of redeeming Company shares may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the net value has appreciated or depreciated, with no exit rights, unless stipulated otherwise in each Sub-Fund's descriptive fact sheet.
- (c) Share conversion: The conversion base is linked to the respective Net Asset Values per share of the two sub-funds or classes concerned, without conversion fee, unless specified otherwise in each sub-fund's descriptive fact sheet.

#### **10.4 Notices**

Notices to shareholders are sent to the address indicated in the register and are available at the registered office of the Company and from the Depositary. They are published only when required by law and in accordance with the applicable procedures.

The Net Asset Value and the redemption and issue prices shall be available at all times at the registered office of the Company and from the Depositary.

Furthermore, at the end of each year and at the end of each semester, a financial report shall be published that includes, in particular, the Company's asset position, the number of shares outstanding and the number of shares issued and redeemed since the previous publication.

## **10.5 Company Liquidation**

The Company has been established for an unlimited period. However, the Company may be liquidated at any time, on proposal by the Board of Directors of the Company and by a resolution of the general meeting of shareholders under the terms and conditions laid down in the 2010 and 1915 Acts and under the Articles of Association of the Company as regards the requisite majority and quorum.

If the Company's capital falls below two-thirds of the minimum capital, the Board of Directors must convene an extraordinary general meeting which may decide to dissolve the Company. The extraordinary general meeting, in respect of which no quorum will apply, shall decide by simple majority of the votes cast by those present or represented.

If the Company's capital falls below one quarter of the minimum capital, the extraordinary general meeting of shareholders is held, in respect of which no quorum will apply, to decide on the potential dissolution of the Company. The decision to dissolve the Company can then be taken by shareholders representing a quarter of the votes present or represented at the meeting.

An extraordinary general meeting of shareholders must be held within the forty days of the date on which it was observed that the net asset value of the Company has fallen below the statutory minimum of two-thirds or one quarter, as applicable.

In the event of dissolution of the Company, liquidation shall be carried out by one or more liquidators, who shall be appointed by the extraordinary general meeting of shareholders that took the decision to dissolve and that shall determine the liquidators' powers and remuneration. The proceeds of the liquidation each sub-fund or share class shall be distributed by the liquidators among the shareholders of each sub-fund or share class concerned in proportion to the number of Shares held in that sub-fund or class.

Any amount which it has not been possible to allocate to shareholders shall be paid, in accordance with the law, to the "Caisse de Consignation" (Deposit and Consignment Office) on closure of the liquidation.

## **10.6 Liquidation of Sub-Funds and/or Classes of Shares**

In the event that the net asset value of a sub-fund is less than EUR 300,000 or the equivalent in the relevant currency of the sub-fund concerned, and whenever it is in the interests of the shareholders of a sub-fund (particularly in the case of a change in the economic and/or political situation), or with a view to financial rationalisation, the Board of Directors may decide to proceed with the compulsory redemption of all shares of the class or classes of shares issued under the given sub-fund, at the net asset value per share applicable on the Valuation Day on which the decision takes effect (taking into account the actual price and cost of realising the investments). The decision of the Board of Directors shall be published (either in the newspapers to be determined by the Board of Directors or in the form of a notice sent to the shareholders at their address indicated in the shareholders' register) before the compulsory redemption date and the notice must indicate the reasons for the redemption as well as the associated procedures. Unless decided otherwise in the interest of the shareholders or in order to maintain equal treatment among them, the shareholders of the sub-fund in question may continue to request the redemption of their shares, at no charge (but taking into account actual price and cost of realising the investments) up to the effective date of the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the shareholders of one or several classes of shares issued under a sub-fund may, at an extraordinary general meeting, on proposal by the Board of Directors, redeem all shares of the class or classes issued under that sub-fund and thus refund to the shareholders the net asset value of their shares (taking into account the actual price and cost of realising the investments), calculated on the Valuation Day on which that decision takes effect. No quorum is required at such general meetings and the resolutions may be decided by simple majority of votes validly cast.

Assets which could not be distributed to their beneficiaries when redeemed shall be deposited with the Depositary for a period of six months after the redemption; thereafter, those assets shall be paid into the "Caisse de Consignations" on behalf of the persons entitled thereto.

All shares thus redeemed shall be cancelled.

Liquidation or Reorganization of a master fund

In accordance with the provisions of the 2010 Act governing feeder UCITS, a feeder fund shall be dissolved and liquidated if the relevant master fund is liquidated, divided into two or more UCITS or merged with another UCITS, except to the extent permitted, and in compliance with the conditions set out under the 2010 Act and the CSSF Regulation 10-05.

## **10.7 Merger of sub-funds and/or share classes**

The Board of Directors may decide to merge one or more sub-funds of the Company (either as absorbed sub-fund(s) or as absorbing sub-fund(s) with one or more sub-funds of the Company or with another Luxembourg or foreign UCITS (or a sub-fund of the latter) subject to the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended from time to time, in accordance with the procedure laid down in the 2010 Act and namely in Chapter 8 (in particular regarding merger plans and information to be provided to shareholders), by assigning them, where relevant, new shares of the absorbing sub-fund or of the absorbing UCITS at the rate of their previous holding in the absorbed sub-fund and applying the exchange ratio.

The Board of Directors may also decide to merge one or more classes of one or more sub-funds of the Company with one or more classes within the same sub-fund(s) or one or more other sub-fund(s) of the Company.

For any merger where the Company or a sub-fund is the absorbed entity which ceases to exist, a decision on whether or not the merger should take effect shall be taken by a general meeting of shareholders of the Company or of the sub-fund in question, deciding by simple majority of votes cast with a requirement for special quorum.

In all cases of mergers, the shareholders of the sub-fund(s) in question may request, at no charge other than that retained to cover the divestment costs, the redemption of their shares or, where possible, their conversion into shares of another sub-fund of the Company or another UCITS with a similar investment policy and managed by the same Manager or by another company to which the Manager is linked within a management or control community or by a significant direct or indirect holding, in accordance with the 2010 Act.

The procedures described above may also be applied at a Company level (namely as an absorbing entity) in accordance with the 2010 Act.

In the event that the net asset value of a sub-fund is less than EUR 300,000 or the equivalent in the relevant currency of the sub-fund concerned, and whenever it is in the interests of the shareholders of a sub-fund (particularly in the case of a change in the economic and/or political situation), or with a view to financial rationalisation, the Board of Directors may decide to allocate the assets of a sub-fund to that of another sub-fund within the Company or to that of another collective investment body under Luxembourg law established in accordance with the provisions of Part I of the 2010 Act or to that of a sub-fund of another such collective investment body (the "new Sub-Fund") and to redesignate the shares of the class or classes in question as shares of one or more new classes, (following a demerger or consolidation, if required, and to pay all amounts corresponding to a fraction of shares due to the shareholders). This decision shall be published (either in the newspapers to be determined by the Board of Directors or in the form of a notice sent to the shareholders at their address indicated in the shareholders' register) one month before the merger date in order to enable any shareholders wishing to do so to request the redemption or exchange of their shares, at no charge, during this period. Furthermore, the notice shall state the characteristics of the new sub-fund.

Once this deadline has expired, the decision regarding the allocation binds all shareholders who have not used their right to redeem or exchange their shares. If the collective investment fund benefiting from this allocation is an open-ended collective investment fund, the resolutions taken by the Board of Directors shall only bind those shareholders who voted in favour of this allocation.

The Board of Directors may also, under the same circumstances as described above decide to allocate the assets and commitments of a sub-fund to a foreign undertaking for collective investment classified as a CIU in securities.

A sub-fund may only contribute to a foreign undertaking for collective investment with the agreement of all shareholders of the share classes from the sub-fund in question or provided that only the assets of consenting shareholders are allocated to the foreign undertaking for collective investment.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the shareholders of one or several share classes issued under a sub-fund may, at a general meeting, on proposal by the Board of Directors, decide to redeem all shares of the class or classes issued under that sub-fund and refund to the shareholders the net asset value of their shares (taking into account the actual price and cost of realising the

investments), calculated on the Valuation Day on which that decision takes effect. No quorum is required at such general meetings and resolutions may be decided by the affirmative vote of the simple majority of votes validly cast.

The allocation of assets and commitments attributable to a sub-fund to any undertaking for collective investment established under Luxembourg law under the provisions of Part I of the 2010 Act or to a sub-fund within such an undertaking for collective investment must be approved by a decision of the shareholders of the class or classes of shares issued under the sub-fund concerned by a two-thirds majority of the validly votes cast at that meeting, which must account for at least 50% of the shares issued and outstanding. If the merger takes place with a contractual type undertaking for collective investment under Luxembourg law (open-ended collective investment fund) or with a foreign undertaking for collective investment, the resolutions taken by the meeting shall only bind those who voted in favour of the merger.

## **10.8 Demerger of Sub-Funds and/or Classes of Shares**

If a change in the economic or political situation which has an impact on a sub-fund or a share class or if it is in the interest of the shareholders of a sub-fund or share class, the Board of Directors of the Company may restructure the sub-fund or the share class in question by splitting that sub-fund or class into two or more new sub-funds or share classes. The decision shall be published in accordance with the disclosure rules laid down in point 8.4 "Notices" under Chapter 8. "Company Operations". The notice published shall contain information on the new sub-funds or share classes created in this way.

This shall be published at least one month before the decision takes effect, in order to give shareholders the opportunity to request redemption of their Shares at no charge before the transaction to divide into two or more sub-funds or share classes becomes effective.

## **10.9 Taxation**

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

The following information is based on the laws, regulations, decisions and practices currently applicable in the Grand Duchy of Luxembourg and are subject to change, with taxes potentially being applied retrospectively. This summary is not intended as an exhaustive description of all the Luxembourg taxation laws and tax considerations that may be relevant to a decision to invest in, own, hold or dispose of shares, and does not purport to provide advice on tax issues to an individual Investor or to a potential Investor. This summary does not describe the tax consequences of the laws of any State, local tax authority or other tax authority, other than the Grand Duchy of Luxembourg. Investors should inform themselves and, where appropriate, consult their professional advisers about the potential tax consequences of the purchase, acquisition, holding or disposal of shares under the laws of their country of citizenship, residence, domicile or constitution.

At the date of this prospectus, the Company is not subject to any Luxembourg tax on income or capital gains. Similarly, the dividends paid by the Company are not subject to any Luxembourg withholding tax.

The Company is, however, subject to an annual subscription tax (*Taxe d'Abonnement*) in Luxembourg representing 0.05% of the net asset value. This tax is limited to 0.01% of the net asset value for sub-funds and for the categories or sub-categories reserved to institutional investors, as defined in the guidelines or recommendations issued periodically by the Luxembourg supervisory authority. The share of assets of the Company invested in other CIUs already subject to the aforementioned subscription tax are exempt from this tax.

In the cases where it applies, the subscription tax must be paid quarterly on the basis of the net assets affected and is calculated at the end of the quarter to which the tax relates.

No stamp duty or other tax is due in the Grand Duchy of Luxembourg on shares issued by the Company. A registration fee of EUR 75 is due on incorporation of the company and each time the Articles of Association are amended.

Under current law and practice, the Company is not liable for any Luxembourg tax on realised or unrealised capital gains on the assets of the Company.

### ***Automatic Exchange of Information***

Following the development by the Organization for Economic Co-operation and Development ("OECD") of a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") in the future on a global basis, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted on 9 December 2014 in order to implement the CRS among the Member States of the European Union. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States of the European Union for the data relating to the calendar year 2017.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (the "CRS Law").

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

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

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2017. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2017.

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

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

Investors in the Company may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

### ***Taxation of Company investments***

Certain income from the Company's portfolio derived from dividends and interests may be subject to tax at a variable rate withheld in the country in which that income originates.

The Company may benefit, under certain circumstances, from double taxation treaties that the Grand Duchy of Luxembourg has signed with other countries.

### ***FATCA***

The Foreign Account Tax Compliance Act ("FATCA"), amending the US Internal Revenue Code, was adopted in the United States in 2010 and most of its operational provisions entered into force on 1 July 2014. As a general rule, under the FATCA, financial institutions outside of the United States ("FFIs") are required to pass information about the financial accounts held by specified US persons, directly or indirectly, to the Internal Revenue Service ("IRS"). A 30% withholding tax is imposed on certain income from a US source paid to any FFI that fails to comply with the FATCA. On 28 March 2014, the Grand Duchy of Luxembourg signed a Model 1 intergovernmental agreement ("IGA") with the United States of America and a memorandum of understanding. Once this Luxembourg IGA is transposed into Luxembourg law, the Company must comply with the provisions of the FACTA law, rather than complying directly with the United States Treasury Regulations implementing the FACTA. Under this IGA, the Company will be required to collect information aimed at identifying its direct and indirect shareholders that are US Persons for FACTA purposes ("Reportable Accounts"). Any such information on reportable accounts provided to the Company shall be shared with the Luxembourg tax authorities, which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Grand Duchy of



Luxembourg for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital, signed at Luxembourg on 3 April 1996.

To be deemed FATCA compliant, the Company intends to comply with the provisions of the Luxembourg IGA and thus not be subject to the 30% withholding tax on its share of any such payments attributable to actual and alleged US investments by the Company. The Company will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA place on it. From the date the Luxembourg IGA is signed and until the Grand Duchy of Luxembourg implements the national procedure required for the entry into force of the IGA, the United States Treasury Department shall deem the Company to be compliant with FACTA and not subject to the withholding tax imposed under FATCA.

The Company has chosen Collective Investment Vehicle ("CIV") status in relation to the Luxembourg IGA. This imposes certain obligations and restrictions on potential investors and existing shareholders of the Company.

Due to the Company's "CIV" status, its shares may only be offered, sold to, transferred or held by eligible shareholders. Eligible shareholders are (i) Exempt Beneficial Owners (ii) Active NFEs (iii) US Persons who are not Specified US Persons (iv) FFIs who are not considered as Non Participating FFIs (" NPFFI"), as these terms are defined in the IGA.

Individuals and Passive NFEs (as defined in the IGA) shall be accepted as shareholders provided that they subscribe through an FFI that is not considered as an NPFFI.

In the event that the Company identifies a shareholder as ineligible, it must take the measures deemed necessary to comply with its obligations pursuant to FATCA, which also includes the compulsory redemption of the shares held by the shareholder concerned.

To ensure that the Company complies with FATCA and the Luxembourg IGA in accordance with the preceding, FundPartner Solutions (Europe) S.A. as Transfer Agent, may:

- (a) request information or documentation, including tax forms W-8, a Global Intermediary Identification Number, where applicable, or any other valid proof of registration of a FACTA Shareholder with the IRS or a corresponding exemption, in order to check the status of the Shareholder under the FATCA;
- (b) report information to the Luxembourg tax authorities regarding a Shareholder and its account with the Company if the account is deemed to be an American account to be declared under the Luxembourg IGA;
- (c) report information to the Luxembourg tax authorities regarding payments to account holders with non-participating foreign financial institution FACTA status; and
- (d) deduct US retention taxes applicable to certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA and the Luxembourg IGA, as applicable, from 2017 or later.

## **11. MANAGEMENT AND ADMINISTRATION**

### **11.1 The Board of Directors**

The Board of Directors of the Company is responsible for the administration and management of the assets of each sub-fund. It may carry out all acts of management and administration on the Company's behalf; it may, in particular, purchase, sell, subscribe for or exchange any transferable securities and exercise all rights attaching directly or indirectly to the Company's assets.

The current list of members of that Board and other administrative bodies is given in this prospectus and in the regular reports.

Despite the delegation by the Fund of the management, administration and marketing functions to the Management Company (as described in the paragraph below), the Board of Directors is responsible for the management, supervision of the Company's administration and for determination of its investment policy and overall objectives.

### **11.2 The Management Company**

The Company has appointed Waystone Management Company (Lux) S.A. (formerly named MDO MANAGEMENT COMPANY S.A.) as its management company (hereinafter the "Management Company").

The Management Company is a public limited company with share capital of EUR 2,450,000 incorporated on 4 May 2007 and with its registered office at 19 Rue de Bitbourg, L-1273 Luxembourg. The Management Company is recorded in the Luxembourg Trade and Companies Register under the number B 96.744 and is approved by the CSSF as a management company authorised under Chapter 15 of the 2010 Act.

On the 9<sup>th</sup> of December 2015, the Company signed a Management Company agreement ("Management Company Services Agreement") with the Management Company appointing the latter to undertake, directly or by delegation, portfolio management, administration, sales and marketing and daily management of the Company.

Under the Management Company Services Agreement, the Management Company will be entitled to a variable remuneration based on the total net assets of the Company, calculated at a maximum rate of 0.04% per annum and subject to a minimum fixed fee of EUR 30,000 per annum. These fees shall be calculated on a quarterly basis on the average net asset value at the end of the last month of the preceding quarter and paid quarterly in arrears.

For its risk management services and compliance with investment restrictions, the Management Company shall be entitled to a remuneration of EUR 10,000 per annum and per sub-fund, the total exposure of which shall be measured using the commitment approach, paid from the total net assets of the Company.

Moreover, any additional charges and other costs attributable to the sub-fund in question and relating to additional services that may be agreed from time to time shall be included, where relevant, in the specific descriptive fact sheet for the sub-fund concerned, in Annex 1 of the prospectus. The Management Company is entitled to the reimbursement of its reasonable outlays, including but not limited to certain *ad-hoc* expenses and costs incurred in the exercise of its duties.

With the agreement of the Company, the Management Company may decide, subject to clearance by the CSSF, to delegate, under its full responsibility and control, some of its duties as laid down in this prospectus.

The remuneration of the agents appointed by the Management Company will be paid directly by the Company. The management fee charged by the designated Management Company does not include the remuneration of these agents.

On the date of this prospectus, the Management Company has delegated the function of Portfolio Management, Administrative Agent, Domiciliary Agent, Transfer Agent, and Registrar.

The Management Company has introduced measures to ensure that the various delegated mandates are carried out in accordance with the conditions for delegation and in compliance with the legislation and regulations in force.

To this end, it shall have the technical resources and tools required to effectively monitor the activities undertaken by the agents in performing their respective functions.

The Management Company will ensure the Company complies with the investment instructions and is responsible for implementation of the Company's investment strategies and policy as laid down in the 2010 Act, the Company's Articles of Association and the prospectus. The Management Company is required to ensure that the limits or restrictions on investments specified in this prospectus are respected by each sub-fund, on an aggregate and consolidated basis, taking into account all investments undertaken by the Company (and its various sub-funds).

The Management Company shall inform the Directors promptly of any non-compliance by the Company with the investment restrictions.

On the date of the prospectus, the Management Company has been appointed as management company of other investment funds, a list of which is available on the website of the Management Company at [www.mdo-manco.com](http://www.mdo-manco.com).

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The remuneration policy sets out principles applicable to the remuneration of senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- i. it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or the Company's Articles of Association;
- ii. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- iii. it is in line with the business strategy, objectives, values and interests of the Management Company and the Company and of the Shareholders, and includes measures to avoid conflicts of interest;
- iv. fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy is determined and reviewed at least on an annual basis by a remuneration committee.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on <http://www.mdo-manco.com/about-us/legal-documents>, a paper copy will be made available free of charge upon request.

### **11.3 Manager(s)/Adviser**

The Management Company may decide to delegate, at its own expense and under its own responsibility, management to Managers authorised to act as such by a competent authority.

On the date of this prospectus, the Management Company has delegated management of the Company's sub-funds.

The identity of the Manager(s) is specified for each sub-fund in the descriptive fact sheets in Annex 1.

The Management Company may also, under its own responsibility, appoint one or more investment advisers.

As remuneration for its/their Management/Advisory services, the Manager(s)/Adviser(s) shall be entitled to payment of a fee by the Company calculated based on an annual percentage of the Net Asset Value of each sub-fund as indicated in the descriptive fact sheets for each sub-fund.

In addition to their annual payment, The Manager(s)/Adviser(s) may be entitled to a performance fee at the end of each financial year for their management/advisory duties, the rate of which is specified in the fact sheet for each sub-fund.

This variable fee is recorded each time the net asset value of the classes concerned is established. It is the subject of a provision, or if appropriate the writeback of the provision in the event of under-performance of the Company, the appropriations for which are capped and that is calculated each time the net asset value is established.

These fees are charged directly to the Company's profit and loss account. The reference period used as a basis for calculating the performance fee shall span two annual balance-sheet dates for the Company and may not be less than 12 months.

If outstanding shares that have been used to calculate the performance fee are redeemed, that part of the performance fee corresponding to the redeemed units shall accrue to the Manager(s)/Adviser(s).

If a reference index is used, the name of the index and the applicable rate are indicated in the fact sheet of the Sub-Fund. The index needs also to be provided by an administrator listed on the ESMA Register.

### **11.4 Distributor/Intermediary**

The Management Company may delegate, under its responsibility, the marketing of the Company's shares in countries where they will be marketed to one or more distributor(s) and/or intermediary(ies).

On the date of this prospectus, the Management Company has not delegated responsibility for distribution of the Company's shares.

The identity of any Distributors(s) will be detailed in the fact sheets for each sub-fund that are given in Annex 1.

As remuneration for its/their Distribution services, the Distributor(s)/Sub-Distributor(s) shall be entitled to payment of a fee by the Company calculated on the basis given in the descriptive fact sheets for each sub-fund concerned. The Distributor(s)/Sub-Distributor(s) shall also receive subscription and redemption fees from the Company. These fees are not due from the Company.

Since the intermediary intervenes between the investor and the CIU of his choice, he subscribes or redeems the Company's shares in his own name, but as intermediary acting on behalf of the investor. Where applicable, the intermediary will be recorded in the Company's register of shareholders. Where this is the case, the investor reserves the right to invest directly in the Company without resorting to the service of an intermediary. Furthermore, an investor who has subscribed through an intermediary retains a direct right over the shares and may at any time request the transfer to his name of the shares subscribed through the intermediary so that the investor is registered under his own name in the register of shareholders from receipt of the transfer instructions.

The provisions of the preceding paragraph shall not apply, however, in countries where the use of the services of an intermediary is necessary or compulsory for legal or regulatory reasons or for imperative practical reasons.

## **11.5 Statutory auditor**

The Board of Directors has appointed as statutory auditor PricewaterhouseCoopers, with its registered office in Luxembourg.

## **12. SERVICE PROVIDERS**

### **12.1 Depositary**

Bank Pictet & Cie (Europe) AG succursale de Luxembourg has been appointed by the Company as the Depositary Bank for (i) the safekeeping of the assets of the Company (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as are agreed from time to time and reflected in the Depositary Agreement.

Bank Pictet & Cie (Europe) AG succursale de Luxembourg is a branch of the German credit institution Bank Pictet & Cie (Europe) AG, is situated at 15A, Avenue J.F. Kennedy, L-1855 Luxembourg, and is registered with the Luxembourg register of commerce and companies under number B277879. It is licensed to carry out depositary functions under the terms of Luxembourg law.

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

The Depositary Bank is entrusted with the safekeeping of the Company's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary Bank or they can also be held by any third-party delegate for which the Depositary Bank must ensure that they provide, in principle, the same guarantees as the Depositary Bank itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depositary Bank also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Company has been booked in the cash account in the name of (i) the Company, (ii) the Management Company on behalf of the Company or (iii) the Depositary Bank on behalf of the Company.

In addition, the Depositary Bank shall also ensure:

- that the sale, issue, repurchase, redemption and cancellation of the shares of the Company are carried out in accordance with Luxembourg law and the Articles;
- that the value of the shares of the Company is calculated in accordance with Luxembourg law and the Articles;
- to carry out the instructions of the Management Company, unless they conflict with Luxembourg law or the Articles;
- that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;

- that the Company's incomes are applied in accordance with Luxembourg law and the Articles. The Depositary Bank regularly provides the Company and its Management Company with a complete inventory of all assets of the Company.

### **Delegation of functions**

Pursuant to the provisions of the UCITS Directive and of the Depositary Agreement, the Depositary Bank, subject to certain conditions and in order to effectively conduct its duties, delegates part or all of its safekeeping duties over the Company's assets set out in the UCITS Directive, to one or more third-party delegates appointed by the Depositary Bank from time to time and which include, for the avoidance of any doubt, any of the Depositary Bank's affiliates to which some safekeeping duties have been delegated.

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

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

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

An up-to-date list of the appointed third-party delegates is available upon request at the registered office of the Depositary Bank and is available on <https://www.group.pictet/asset-services/custody/safekeeping-delegates-sub-custodians>

Pursuant to the UCITS Directive, the Depositary Bank and the Company will ensure that, where (i) the law of a third country requires that certain financial instruments of the Company be held in custody by a local entity and there is no local entities in that third country subject to effective prudential regulation (including minimum capital requirements) and supervision and (ii) the Company instructs the Depositary Bank to delegate the safekeeping of these financial instruments to such a local entity, the investors of the Company shall be duly informed, prior to their investment, of the fact that such delegation is required due to the legal constraints of the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation.

### **Conflicts of interests**

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

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary Bank and/or its delegates of other services to the Company, the Management Company and/or other parties. As indicated above, the Depositary Bank's affiliates are also appointed as third-party delegates of the Depositary Bank. Potential conflicts of interest which have been identified between the Depositary Bank and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid bad reputation), legal recourse risk (reluctance or avoidance to take legal steps against the depositary), selection bias (the choice of the depositary not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the depositary's solvency) or single group exposure risk (intragroup investments).

The Depositary Bank (or any of its delegates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary Bank (or any of its delegates) acts.

The Depositary Bank has pre-defined all kind of situations which could potentially lead to a conflict of interest and has accordingly carried out a screening exercise on all activities provided to the Company either by the Depositary Bank itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. The details of the potential conflicts of interest listed above are available free of charge from the registered office of the Depositary Bank and on the following website: [https://www.pictet.com/content/dam/www/documents/legal-and-notes/PAS-Register-conflicts-interests-PEUSA-201809\\_EGR\\_Final\\_EN.pdf](https://www.pictet.com/content/dam/www/documents/legal-and-notes/PAS-Register-conflicts-interests-PEUSA-201809_EGR_Final_EN.pdf) On a regular basis, the Depositary Bank re-assesses those services

and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.

Where a conflict or potential conflict of interest arises, the Depositary Bank will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which shall be based on objective pre-defined criteria and meet the sole interest of the Company and the investors of the Company. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary Bank's depositary functions from its other potentially conflicting tasks and by the Depositary Bank adhering to its own conflicts of interest policy.

### **Miscellaneous**

The Depositary Bank or the Company may terminate the Depositary Agreement at any time upon ninety (90) calendar days' written notice (or earlier in case of certain breaches of the Depositary Agreement, including the insolvency of any of them) provided that the Depositary Agreement shall not terminate until a replacement depositary is appointed.

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

## **12.2 Administrative Agent, Transfer Agent, Registrar, Domiciliary Agent**

FundPartner Solutions (Europe) S.A. has been appointed by the Management Company, with the approval of the Company, as the central administration, registrar and transfer agent, domiciliary agent of the Company (the Administrative Agent). As such FundPartner Solutions (Europe) S.A. will be responsible, without limitation for the performance of the central administrative and registrar and transfer agent functions required by Luxembourg Law, and, *inter alia* and without limitation, for the calculation of the NAV of the Shares, the safe keeping of the register of Shareholders, the processing of subscription, conversion and redemption orders in respect of Shares, the maintenance of the Company's accounting records.

FundPartner Solutions (Europe) S.A. will also be in charge of the client communication function.

The rights and obligations of the Administrative Agent are governed by an administration, registrar and transfer agency, domiciliary agreement effective as of December 9, 2015 entered into between the Administrative Agent, the Management Company and the Company for an unlimited period of time (the Administration Agreement). Each of the parties may terminate this agreement by giving the others not less than 90 days prior written notice.

## **13. CONFLICTS OF INTEREST**

The Management Company and the service providers may exercise their functions for other CIUs which may have similar investment objectives to those of the Company and of its sub-funds.

Within the framework of these services, potential conflicts of interest may therefore arise with the Company or its sub-funds and all parties must ensure that they act at all times in the best interest of the shareholders and avoid any conflict of interest. The Management Company has defined and implemented management principles for conflicts of interest. These principles can be consulted on the Internet at [www.mdo-manco.com](http://www.mdo-manco.com).

## **14. EXCHANGE OF INFORMATION BETWEEN MASTER FUND AND FEEDER FUND**

When a Master-Feeder structure is established with the Company, agreements for the exchange of information are set up in order to coordinate the interactions between the Feeder fund and the Master fund as required under the 2010 Act and European Directive 2009/65/EC:

- The exchange of information agreement between Feeder funds and the Master funds must, in particular, describe the measures taken regarding the access and exchange of information on the funds (including *inter alia*: legal documentation, risk management etc.), the principles of investment and divestment by the Company, the standard provisions as regards trading (including *inter alia*: the payment cycle, coordinating the frequency and schedule of NAV calculation and orders, etc.).

When the Management Company is also the Management Company of the Master fund, the exchange of information agreement is replaced by internal codes of conduct adopted by the Management Company;

- the exchange of information agreement between the depositary bank of the Master fund and the depositary bank of the Feeder fund. This agreement describes the documents and information which must be shared between the depositaries or made available on request, the methods and the times of transmitting this information, coordination between the depositaries at operational level in order to meet their respective obligations under their national law, the coordination of the year-end accounting procedures, and the declaration of irregularities at the Master fund level;

- the exchange of information agreement between the statutory auditor of the Master fund and that of the Feeder fund. This agreement describes the documents and information which must be shared between the auditors or made available on request, the methods and the times of transmitting this information, coordination of their participation in the year-end accounting procedures of the Master Fund and the Feeder Fund, the elements to be deemed irregularities at Master fund level, the procedures for *ad hoc* assistance requests.

## 15. PERSONAL DATA PROTECTION

Shareholders are informed that their personal data or information given in the application form, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the European Data Protection Regulation of 27th April 2016 (Regulation (EU) 2016/6791 of the European Parliament and of the Council of 27th April 2016 on the protection of natural persons with regard to the processing of personal data and of the free movement of such data, and repealing Directive 95/46/EC) (the “GDPR”) which came into force on the 25th May 2018.

Personal data includes any information that relates to an identified or identifiable natural person (the “Personal Data”). It includes the identification data, contact data, professional data, administrative data, financial data and invested amount of each shareholder as well as any data requested by the Company in order to ensure the Company’s compliance with applicable anti-money laundering/know your customer, counter terrorist financing, FATCA and CRS rules.

« Data processor » means, in accordance with article 4 of GDPR, the natural or legal person, public authority, agency or other body which processes Personal Data on behalf of the controller.

« Data controller » means, in accordance with article 4 of GDPR, the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of Personal Data. The Company is acting as the Data controller.

All Personal Data of shareholders contained in any document provided by such shareholders and any further Personal Data collected in the course of the relationship with the Company may be collected, recorded, stored, adapted, transferred or otherwise processed by electronic or other means and used by the Company, for the purpose of fulfilling the services required by the shareholders and complying with its legal obligations. The Personal Data will be processed for the purpose of (i) processing subscriptions, conversions, transfers and redemption orders of Shares, (ii) maintaining the register of shareholders, (iii) processing of payment of dividends to shareholders, (iv) performing controls on late trading and market timing practices, (iv) providing of financial and other to the shareholders, and (v) complying with legal and regulatory requirements, including but not limited to, obligations under applicable company law, customer due diligence including anti-money laundering /know your customer (KYC) and counter terrorist financing checks, CRS and FATCA or similar laws and regulations (e.g. at OECD or EU level). To this end, Personal Data of shareholders may be transferred to companies appointed by the Company to support the Company’s activities.

Each shareholder, by subscribing/acquiring Shares of the Company, gives its agreement to such processing of his Personal Data, as provided by the applicable regulatory framework on the protection of persons with regard to the processing of Personal Data.

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

The Registrar and Transfer Agent of the Company processes Personal Data in its systems and qualifies as Data processor in the sense of GDPR.

The Paying Agent, upon distribution of dividends and other cash flows (redemption and liquidation proceeds) qualifies as Data processor in the sense of GDPR.

The entity in charge of tax reporting, when it performs tax reporting for the purpose of complying with the FATCA/CRS reporting obligations, qualifies as Data processor in the sense of GDPR. Those Personal Data may be reported to the Luxembourg tax authorities (“Administration des contributions directes”), which may in turn continue these data to the competent authorities of one or more reportable jurisdictions.

For each information request for the purpose of complying with FATCA/CRS reporting or AML/KYC checks sent to the shareholder concerned, the answer from the shareholder will be mandatory. Failure to respond within the prescribed timeframe may result in incorrect reporting to the Luxembourg tax authorities.

The Personal Data collected will be processed within the strict and necessary framework of the services rendered to the shareholder according to this Offering Document.

In accordance with the provisions of the GDPR, shareholders have at any time the right to request access, rectification or erasure of their Personal Data or restriction of processing their Personal Data or to object to the processing of their Personal Data as well as the right to data portability. The shareholders may exercise the above rights by writing to the Registrar and Transfer Agent.

A shareholder also has the right to object to the use of his Personal Data for marketing purposes.

Shareholders have the right to lodge a complaint with the supervisory authority, if a shareholder considers that the processing of Personal Data relating to him infringes the GDPR. In Luxembourg, the supervisory authority is the Commission Nationale pour la Protection des Données (CNPD).

Shareholders' Personal Data shall not be stored longer than is necessary for the fulfilment of the purposes for which they have been processed. With regards to the definition of appropriate retention periods, the Company shall also comply with any obligations to retain information including legislations in relation to anti-money laundering, GDPR and tax laws and regulations.

## **16. GENERAL INFORMATION AND AVAILABLE DOCUMENTS**

The Company is entered in the Trade and Companies Register held at the District Court of and in Luxembourg under number B 202.496. The Company's consolidated Articles of Association are filed there, and may be consulted and copies of them may be obtained.

The legal structure of the Company is defined in its Articles of Association which were published in the which were published in the special edition of the Official Gazette of the Grand Duchy of Luxembourg, the RESA.

Pursuant to the regulation CSSF 10-4 and circular CSSF 11/508, the Management Company implements procedures and strategies including:

- Procedure for processing complaints submitted by investors:  
Shareholders may submit their complaints at no charge to their local representative or to the Management Company, which will record them and process them as soon as possible. A copy of the complaints processing procedure can be obtained, at no charge, from the registered office of the Management Company.
- Strategies for exercising voting rights attached to instruments held in managed portfolios.

A summary of the description of these strategies can be obtained at no charge from the registered office of the Management Company.

A copy of the Company's Articles of Association, the full prospectus, the KIDs and financial reports (semi-annual report and audited annual report) can be obtained, free of charge, from the Company's registered office and on the website of the Management Company ([www.mdo-manco.com](http://www.mdo-manco.com)).

The following documents can be consulted at the Company's registered office:

- a) the Depositary Agreements;
- b) the Administrative Agency, Domiciliary, Registrar and Transfer Agency Agreements;
- c) the Management Company Services Agreement between the Company and the Management Company;
- d) the audited annual reports and unaudited semi-annual reports;
- e) the Company's Articles of Association;
- a) the KIDs.

The attention of the ultimate investors is drawn on the fact that they may not be fully indemnified in case of NAV calculation errors or non compliance when they are invested through financial intermediaries.



## **ANNEX 1 SUB-FUNDS**

On the date of publication of this prospectus, the Board of Directors is offering for subscription the shares of the sub-funds listed below:

1. AZVALOR LUX SICAV - AZVALOR INTERNATIONAL
2. AZVALOR LUX SICAV – AZVALOR BLUE CHIPS
3. AZVALOR LUX SICAV – AZVALOR MANAGERS
4. AZVALOR LUX SICAV – ALTUM FAITH - CONSISTENT EQUITY

The Sub-Funds are shown in the summary tables hereinafter. These tables specify the investment policy and objective of the Sub-Fund, the identity of the Manager, the characteristics of the shares, the currency they are expressed in, the Valuation Day, the procedures for subscription, redemption and/or conversion, the fee amount, as well as the other characteristics of the sub-fund.

Investors are reminded that, unless otherwise stated in the summary tables below, the general regime shown in the Investments and Investment Restrictions section shall apply to the Sub-Funds.

## AZVALOR LUX SICAV - AZVALOR INTERNATIONAL

<p>Investment Objective and Policy</p>	<p>The objective of the Sub-Fund is to outperform the MSCI Europe Total Return Net reference index over a minimum recommended investment horizon of five years. The Sub-Fund is actively managed and its reference benchmark does not necessarily represent the investment universe or a constraint for the portfolio allocation of the Manager. To achieve this objective, the Sub-Fund will invest at least 75% of its asset in equity and securities similar to equity, of any market and sector, mainly OECD issuers/markets. Up to 35% of total exposure may be invested in emerging market issuers/markets. Investments in China are foreseen, but will not exceed 10% of the Sub-Fund's assets.</p> <p>Equity selection is based on a rigorous process of fundamental company analysis, aiming at identifying companies the stock market valuation of which is not representative of the estimated intrinsic value, without constraints as to the capitalisation of the target companies. The portfolio can thus be exposed up to its totality in companies of small or average capitalisation (lower than a billion euros). The portfolio shall be built up broadly of companies without taking into account the aforementioned index. Thus, the weight of each company in the portfolio is completely independent of the weight of this same company in the index, and it is possible that a company in the portfolio may not figure in the aforementioned index or that a well-ranked company within this index is excluded from the portfolio of the Sub-Fund. The Sub-Fund is not required to invest a percentage or the whole portfolio in securities that are constituents of the MSCI Europe Total Return Net. Moreover, depending on the market conditions, the investments could focus on just one country or a small number of countries and/or one economic sector of activity and/or currency.</p> <p>In addition to investments in shares, and namely to manage the portfolio's exposure to the stock market, the Sub-Fund may invest in the following financial instruments:</p> <ul style="list-style-type: none"><li>• Money market instruments, from the public or private sector, (up to 25% of the assets) ranked as "investment grade" by the ratings agencies at the time of the purchase. The credit ratings used shall be those established by Moody's or Standard &amp; Poor's. In the event of a difference between two agencies, the highest credit rating shall be taken into account.</li><li>• UCITS, UCITS ETF and other CIUs (up to 10% of the assets). CIUs will be eligible according to article 41 1) e. of the 2010 Act.</li></ul> <p>Nevertheless and notwithstanding the paragraphs above, if the Manager deems necessary for investment purpose, cash management or in case of unfavourable market conditions, the Sub-Fund's assets may be invested, wholly or partly, for an unlimited duration and at the Management Company's discretion, in all types of equity and equity related securities, in all types of liquid transferable securities, bank deposits, commercial papers or money market instruments from the public or private sector, rated as "investment grade" by the ratings agencies at the time of purchase. The credit ratings used shall be those established by Moody's or Standard &amp; Poor's. In the event of a difference between two agencies, the highest credit rating shall be taken into account.</p> <p>The Sub-Fund may hold ancillary liquid assets which shall be limited to bank deposit at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Act or for a period of time strictly necessary in case of unfavourable market conditions. The holding of such ancillary liquid assets is limited to 20% of the net assets of the Sub-Fund. This 20 % limit may only be temporarily breached where exceptionally unfavourable market conditions so require and where such breach is justified by the interests of investors.</p> <p>The Sub-Fund does not intend to use derivatives, asset backed securities (ABS, MBS, etc.) nor the use of financial techniques and instruments focused on transferable securities and money market instruments.</p> <p>The Sub-Fund is not allowed to use derivatives, "SFT" or "securities financing transaction", asset backed securities (ABS, MBS, etc.) nor the use of financial techniques and instruments focused on transferable securities and money market instruments. Should the Sub-Fund decide to invest in such assets, the present Appendix will be updated.</p>
--	--

**AZVALOR LUX SICAV - AZVALOR INTERNATIONAL**

	<p>The sustainability risks or ESG risks are integrated in the investment decisions relating to the Sub-Fund and have been defined in accordance with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR).</p> <p>For the purposes of the EU Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, prospective investors are hereby informed that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The Manager takes into account the sustainability risks in its investment decisions using specific ESG information (provided by an external vendor) for each of the securities of the portfolio as well as from another risktech provider of financial risk modeling that uses this same information in its usual settings in an integrated way. With both tools the Manager is able to periodically know the financial and ESG rating of each investment as well as for the portfolio of the Sub-Fund as a whole and feel comfortable with the conservative risk assumed. It is a process of full integration that does not use sectorial exclusions but instead best in class approach after a very in-depth fundamental value analysis where the ESG metrics will only strengthen the risk management and expected returns.</p> <p>The results of the Manager’s assessment of the likely impacts of sustainability risk on the returns of the Sub-Fund is not material thanks precisely to the sustainability risk policy and the additional procedure that integrate ESG risks together with the rest of the risks traditionally considered.</p> <p>The Sub-Fund does not have as its objective neither (i) the promotion of environmental or social characteristics nor (ii) sustainable investment or reduction in carbon emissions. ESG and sustainability aspects are not binding for the investment decisions process.</p> <p>For the time being, except as may be otherwise disclosed at a later stage on its website, the Management Company does not consider adverse impacts of investment decisions on sustainability factors. The main reason is actually the lack of information and data available to adequately assess such principal adverse impacts. Should the Management Company consider at a later stage the adverse impacts of investment decisions on sustainability factors, its website will be updated as well as the present prospectus. Information on the Management Company’s ESG approach and its policy on the integration of ESG risks is available on the Management Company’s website.</p> <p>The terms and conditions of the Manager’s for taking environmental, social and governance (ESG) criteria into account in investment policy are available on the Manager’s website.</p> <p>Should the Sub-Fund decide to comply with Article 8 or 9 of the SFDR, the prospectus would be updated accordingly.</p>
Reporting currency	Euro
Investor profile	<p>This product is intended for investors wishing to profit from the potential for appreciation of the stock market, while conscious of the fact that this market may present significant risks for investors.</p> <p>The recommended minimum investment horizon is five years.</p>
Risk profile	<p>The risks are shown in Section 3 of this prospectus.</p> <p>Investors are advised that the performance of the Sub-Fund may not fulfil its objectives and that they may not get back all of part of the capital they invested.</p>
MSCI Europe Total Return Net	<p>This is a broad index composed of more than 400 companies covering nearly 85% of the stock exchange capitalisation of the European markets. Five countries (the United Kingdom, France, Switzerland, Germany and Spain) account for approximately 80% of the index. Its composition and daily value are available on the <a href="http://www.msci.com">www.msci.com</a> website.</p>
Valuation Day	<p>Each full business day in Luxembourg and if this day is not a full business day in Luxembourg, the preceding full business day.</p>
Calculation of NAV	<p>Valuation Day +1, namely the first business day in Luxembourg following the Valuation Day.</p>
Calculation of overall exposure	<p>The method used to calculate the overall exposure is the commitment method.</p>

**AZVALOR LUX SICAV - AZVALOR INTERNATIONAL**

Share classes and categories	<p>"Class I" accumulation, denominated in euro. Class I shares are available for Institutional Investors, including those providing Discretionary Portfolio Management services and Independent Advisors (retail clients operating under an advisory management mandate shall also be considered as included in this group).</p> <p>"Class R" accumulation, denominated in euro. Class R Shares are available for non-independent advised and execution only services.</p> <p>"Class Z" accumulation, exclusively available for Board Members and/or Board Members of azValor Asset Management SGIIC, S.A., the Investment Manager and related companies (Inversiones Advalor SL – holding company).</p>
Form of shares	Registered.
Subscription tax	Class I: 0.01% Classes R and Z: 0.05%
Stock Exchange	N/A
Initial subscription	Classes I and R: 15 December 2015 Class Z: 15 December 2015
Initial launch price	Class I: EUR 1,000 Class R: EUR 100 Class Z: EUR 0.01
<b>Subscription</b>	
Initial minimum investment	1 share or the equivalent of one share in cash
Subsequent minimum investment	1 share or the equivalent of a share in cash
Receipt of orders	The deadline for the receipt of orders is set at 3 p.m. (Luxembourg time) on the Valuation Day
Subscription fee	ZERO for all classes of shares
Payment of subscriptions	Within 2 banking days of the Valuation Day
<b>Redemption</b>	
Receipt of orders	The deadline for the receipt of orders is set at 3 p.m. (Luxembourg time) on the Valuation Day
Fee	ZERO for all classes of shares
Payment	Within 2 banking days of the Valuation Day
<b>Conversion</b>	
Conversion fee	N/A
Receipt of orders	N/A except by express agreement of the Board of Directors
<b>Fees</b>	
Manager	AZVALOR ASSET MANAGEMENT SGIIC, S.A.
Manager's fee	Class I: 1.80% per annum maximum, calculated on average net asset value of the Class. Class R: 2.20% per annum maximum, calculated on average net asset value of the Class. Class Z: 1.00% per annum maximum, calculated on average net asset value of the Class.

## AZVALOR LUX SICAV - AZVALOR INTERNATIONAL

Performance fee	ZERO for all classes of shares
Fees of other service providers	The fees of other service providers of the Company are shown in Sections 10, 11 and 12 of the prospectus.
Historical performance	The Sub-Fund's historical performance is shown in the KID for the investor of the Sub-Fund. The performance shown is not a reliable indication of future performance. Past performance is not a guarantee of future performance.

## AZVALOR LUX SICAV - AZVALOR BLUE CHIPS

Investment Objective and Policy of the Feeder Fund	<p>The Sub-Fund is a feeder sub-fund pursuant to article 77(1) of the 2010 Act (“Feeder UCITS”) and will as such at all times invest at least 85% of its assets in units of the Master Fund (AZVALOR BLUE CHIPS, FI) which qualifies as a “master UCITS” within the meaning of Directive 2009/65/EC.</p> <p>The Sub-Fund may hold up to 15% of its assets in ancillary assets, including cash, cash equivalents and short term bank deposits.</p> <p>The objective of this Sub-Fund is to achieve capital appreciation through investment in the Master Fund.</p> <p>The Sub-Fund intends to realise its investment objective by investing substantially all of its assets into the units of the Master Fund. The investment objective and policy of the Master Fund, its organisation and risk profile are summarised in the section "Master Fund" below. The residual assets of the Sub-Fund will consist in ancillary liquid assets, as described above, as may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Sub-Fund. The Sub-Fund intends to minimize the level of ancillary liquid assets held for these purposes. The Sub-Fund will not enter into financial derivative instruments other than FX forwards.</p> <p>If and to the extent that voting rights attached to units of the Master Fund will be exercised on behalf of the Sub-Fund, a summary description of the strategies followed in the exercise of such rights, as well as the actions taken on the basis of those strategies, will be made available to Shareholders upon their specific request addressed to the Company.</p> <p>It is expected that the performance of the Sub-Fund will be broadly in line with that of the Master Fund subject to its level of investment in the Master Fund and safe for additional fund expenses at the level of the Sub-Fund which will affect its performance.</p> <p>The Sub-Fund is not allowed to use derivatives, “SFT” or “securities financing transaction”, asset backed securities (ABS, MBS, etc.) nor the use of financial techniques and instruments focused on transferable securities and money market instruments. Should the Sub-Fund decide to invest in such assets, the present Appendix will be updated.</p> <p>The Feeder Fund is actively managed, being invested at least for 85% of its assets in units of the actively managed Master Fund.</p> <p>The sustainability risks or ESG risks are integrated in the investment decisions relating to the Sub-Fund and have been defined in accordance with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR).</p> <p>For the purposes of the EU Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, prospective investors are hereby informed that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The integration of sustainability risks is mainly made at the level of the Master Fund. The Manager takes into account the sustainability risks in its investment decisions using specific ESG information (provided by an external vendor) for each of the securities of the portfolio as well as from another risktech provider of financial risk modeling that uses this same information in its usual settings in an integrated way. With both tools the Manager is able to periodically know the financial and ESG rating of each investment as well as for the portfolio of the Sub-Fund as a whole and feel comfortable with the conservative risk assumed. It is a process of full integration that does not use sectorial exclusions but instead best in class approach after a very in-depth fundamental value analysis where the ESG metrics will only strengthen the risk management and expected returns.</p> <p>The results of the Manager’s assessment of the likely impacts of sustainability risk on the returns of the Sub-Fund is not material thanks precisely to the sustainability risk policy and the additional procedure that integrate ESG risks together with the rest of the risks traditionally considered.</p> <p>The Sub-Fund does not have as its objective neither (i) the promotion of environmental or social characteristics nor (ii) sustainable investment or reduction in carbon emissions. ESG and sustainability aspects are not binding for the investment decisions process.</p> <p>For the time being, except as may be otherwise disclosed at a later stage on its website, the Management Company does not consider adverse impacts of investment decisions on sustainability factors. The main reason is actually the lack of information and data available to adequately assess such principal adverse impacts. Should the Management Company</p>
--	---

## AZVALOR LUX SICAV - AZVALOR BLUE CHIPS

	<p>consider at a later stage the adverse impacts of investment decisions on sustainability factors, its website will be updated as well as the present prospectus.</p> <p>Information on the Management Company's ESG approach and its policy on the integration of ESG risks is available on the Management Company's website.</p> <p>The terms and conditions of the Manager's for taking environmental, social and governance (ESG) criteria into account in investment policy are available on the Manager's website.</p> <p>Should the Sub-Fund decide to comply with Article 8 or 9 of the SFDR, the prospectus would be updated accordingly.</p>
Master Fund	<p>The Master Fund is a collective investment fund, established and existing under the laws of Spain, registered with the Spanish supervisory authority <i>Comisión Nacional del Mercado de Valores (CNMV)</i> under registration number 5112. It was established on 27th January, 2017 and is regulated and authorized by the CNMV as a UCITS fund.</p> <p>The Master Fund has been authorised by the CNMV as a "master UCITS" within the meaning of the relevant provisions of Directive 2009/65/EC. As a consequence, the Master Fund must, at all times, (i) have at least one feeder UCITS among its unitholders, (ii) not itself become a feeder UCITS, and (iii) not hold shares or units of a feeder UCITS.</p> <p>The benchmark mentioned below in the Investment objective and policy of the Master Fund does not necessarily represent the investment universe or a constraint for the portfolio allocation of the Manager of the Master Fund.</p> <p><b><u>Investment objective and policy of the Master Fund:</u></b></p> <p>Management takes as a benchmark the performance of the MSCI World Index.</p> <p>The management objective of the Master Fund is to ensure sustained profitability over time, by applying a value investing philosophy selecting undervalued assets with high upside potential.</p> <p>At least 75% of total exposure shall be in equities from all sectors, investing over 75% of exposure to equities in large caps (3 billion euro minimum), and the rest in small and mid-caps. Investments shall be mainly in OECD issuers/markets, and up to 35% of total exposure may be invested in emerging issuers/markets.</p> <p>Geographical or sectoral concentration may temporarily occur.</p> <p>Currency risk shall be 0-100% of total exposure.</p> <p>The rest of total exposure shall be invested in fixed income, mainly public yet also private (including liquid money market instruments both listed and unlisted) from issuers/markets of the Euro zone. Fixed income issues shall have a credit rating equal to or greater than that of the Kingdom of Spain at any given moment. Unrated issues shall take into account the rating of the issuer itself. The average duration of the fixed income portfolio shall be less than 18 months.</p> <p>Over 35% of assets may be invested in securities issued or guaranteed by a Member State of the European Union, the International Bodies of which Spain is a member and States with a credit rating that must not be lower than that of the Kingdom of Spain.</p> <p>The investment process takes into account sustainability risks and is based on proprietary and third party analysis. For this, the Manager of the Master Fund uses its own methodology and will take as a reference the available information published by the issuers of the assets and will also use data provided by external parties.</p> <p>The sustainability risk of the investments will depend, among others, on the type of issuer, the sector of activity or its geographical footprint. In this way, investments with a higher sustainability risk can cause a decrease in the price of the underlying assets and, therefore, negatively affect the NAV of the fund.</p> <p>The Manager of the Master Fund does not take into consideration adverse impacts on sustainability factors as it does not currently have due diligence policies in relation to such adverse events.</p> <p><b><u>Profile of the typical investor of the Master Fund:</u></b></p> <p>The investments described above may entail, among others, equity market, interest rate and foreign exchange risks as well as investment risks in emerging countries.</p> <p>This fund may not be suitable for investors who plan to withdraw their money within a period of less than four-five years.</p> <p><b><u>Management company of the Master Fund:</u></b> AZVALOR ASSET MANAGEMENT SGIIC, S.A. Date of incorporation: 15/01/2008</p>

## AZVALOR LUX SICAV - AZVALOR BLUE CHIPS

Date of registration and Registration N°: Registered on 22/02/2008 with n° 224 in the corresponding register of the CNMV.

Registered office: PASEO DE LA CASTELLANA, 110 3° in MADRID, province of MADRID, postcode 28046. As indicated in the Registers of the CNMV, the subscribed capital amounts to 1,000,000.00 euro. The significant holdings of the Management Company may be consulted in the Registers of the CNMV where it is entered.

### **Interaction between the Master Fund and the Company:**

Each dealing day, which means a business day on which Shares may be subscribed or redeemed will correspond to the respective dealing days for units of the Master Fund.

The Cut-off Time for accepting orders for subscription or redemption in each of the Sub-Fund and the Master Fund are also synchronized. This means that valid subscription or redemption orders for Shares of the Sub-Fund placed before the Cut-off Time for the Sub-Fund will be reflected by a same day purchase of units in the Master Fund by the Company.

Valuation between the Sub-fund in the Company and the Master Fund will be coordinated so as the NAV of the Sub-fund calculated on a given Calculation Day will be based on the net asset value of the Master Fund, the latter net asset value being calculated one day prior to the Calculation Day applying to the Sub-fund in the Company. The following documents and agreements are in place for the purpose of facilitating proper coordination between the Sub-Fund and the Master Fund in accordance with the relevant provisions of the 2010 Act:

(A) the Master Fund has entered into an agreement with the Company in respect of the Sub-Fund pursuant to which the Master Fund will provide the Company with all documents and information necessary for the latter to meet the requirements laid down in the Directive 2009/65/EC. The Master Fund and the Company have further agreed appropriate measures to coordinate the timing of their net asset value determination and publication to avoid market timing in their shares and preventing arbitrage opportunities. Further, appropriate measures have been agreed between the Master Fund and the Company to address the following: mitigate conflicts of interest that may arise between the Master Fund and the Company, the basis of investment and divestment by the Company, standard dealing arrangements, events affecting dealing arrangements and standard arrangements for the audit report.

(B) The Depositary and the depositary bank of the Master Fund have entered into an agreement in order to share information regarding the Master Fund. This agreement sets out the documents and categories of information to be provided between the depositaries on a regular basis or upon request, the method and timing of transmission of information, the coordination duties of each depositary in operational matters in accordance with Luxembourg law, the coordination of accounting year end procedures, reportable breaches committed by the Master Fund, the procedure for ad hoc requests for assistance, and specific contingent events reportable on an ad hoc basis.

(C) The auditor of the Company and the auditor of the Master Fund have entered into an agreement in order to share information regarding the Master Fund. This agreement describes, especially, the documents and categories of information to be routinely shared between auditors or available upon request, the manner and timing of transmission of information, the coordination of involvement of each auditor in accounting year-end procedures of the Company and the Master Fund, reportable irregularities identified in the Master Fund and standard arrangements for ad hoc requests for assistance.

### **Costs and expenses of the Master Fund:**

At the level of the Master Fund, the fees, charges and expenses are the following



**AZVALOR LUX SICAV - AZVALOR BLUE CHIPS**

Fees applied	Percentage	Basis of calculation	Tranches/ period
Management (annual)			
Applied directly to the fund	1.8%	Assets	
Custodian (annual)			
Applied directly to the fund	0.04%	Assets	Up to 100,000,000 euro*
	0.03%	Assets	From 100,000,000.01 euro to 200,000,000 euro*
	0.025%	Assets	Over 200,000,000 euro*
Redemption discount in favor of the fund**	3%	Amount reimbursed	Holdings with less than one year, except for transfers to other CIUs managed by this Management Company different to AZVALOR CAPITAL, FI

\* The percentage of the depository fee is applied to the total amount of assets.  
\*\* The redemption discount will not apply to the Feeder Fund

The redemption discount in favor of the fund shall not apply to reimbursements effected by the MCCIS.

The Management Company reserves the right to establish repayment agreements of part of the fees charged to Institutional Investors classified as Eligible Counterparties or Professional Clients as defined by the Securities Market Law (Ley del Mercado de Valores). Regardless of these fees, the fund may bear the following expenses: intermediary fees, liquidation expenses, CNMV fees, auditing and financial expenses on loans or overdrafts.

The legal thresholds of fees and discounts are as follows:  
Management fee: 2.25% annual if calculated on the basis of the fund's assets  
18% if calculated on the basis of the fund's annual results  
1.35% annual of assets plus 9% of annual results if calculated on the basis of both variables  
Custodian fee: 0.20% annual of the fund's assets  
Subscription and redemption fees and discounts: 5% of the price of holdings

Details on the actual charges and expenses incurred at the level of the Master Fund, including the TER for units of the Master Fund, are available on the website <https://www.azvalor.com/product/blue-chips>. The payment of subscription and redemption fees are excluded from the Master Fund.

Regardless of these fees, the Master Fund may have the following expenses: intermediary fees, liquidation expenses, CNMV fees, auditing and financial expenses on loans or overdrafts.

**Information and documentation regarding the Master Fund:**  
The prospectus of the Master Fund is available on the website <https://www.azvalor.com/product/blue-chips>. A paper copy of the prospectus and the annual and semi-annual reports of the Master Fund may be obtained free of charge upon request at the registered office of the Company.  
Further information on the Master Fund and the information sharing agreement between the Company and the Master Fund according to article 79 (1) of the 2010 Act may be obtained at the registered office of the Company.

Reporting currency of the Feeder Fund	Euro
---------------------------------------	------

## AZVALOR LUX SICAV - AZVALOR BLUE CHIPS

<p>Investor profile of the Feeder Fund</p>	<p>The investments of the Master Fund may entail, among others, equity market, interest rate and foreign exchange risks as well as investment risks in emerging countries.</p> <p>This fund may not be suitable for investors who plan to withdraw their money within a period of less than four-five years.</p>
<p>Risk profile of the Feeder Fund</p>	<p>The risks are shown in Section 3 of this prospectus.</p> <p>Investors are advised that the performance of the Sub-Fund may not fulfil its objectives and that they may not get back all of part of the capital they invested.</p>
<p>Risks of Investing in the Master Fund</p>	<p>The ability of the Sub-Fund to accept and process orders for subscription and redemption is dependent on the Master Fund. In the event that the Master Fund fails or refuses to process an order for subscription or redemption, or fails to settle an order for redemption, the Sub-Fund shall not be able to process an investor's subscription or redemption order or pay redemption monies.</p> <p>In the event that the Master Fund is closed to subscriptions and/or redemptions, or during any period in which the calculation of the net asset value of the Master Fund has been suspended, the Sub-Fund shall not be able to process any orders for subscription or redemptions it receives and the Board of Directors is likely to resolve to suspend the Net Asset Value calculation in those circumstances, in accordance with Section 6 "SUSPENSION OF CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REDEMPTION AND CONVERSION OF SHARES".</p> <p>Investors should review the prospectus of the Master Fund for a full description of the circumstances in which subscriptions and/or redemptions of the Master Fund may be suspended or may otherwise refuse to accept orders for subscription or redemption.</p> <p>As a feeder fund of the Master Fund, the Sub-Fund will be subject to specific risks associated with its investment into the Master Fund as well as specific risks incurred at the level of the Master Fund and its investments. If the Master Fund invests in a particular asset category, investment strategy or financial or economic market, the Sub-Fund will then become more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular asset category, investment strategy or financial or economic market.</p> <p>Therefore, before investing in Shares of the Sub-Fund, prospective investors should carefully read the description of the risk factors relating to an investment in the Master Fund, as disclosed in the prospectus of the Master Fund which is available free of charge from the Company as well as on the website <a href="https://www.azvalor.com/product/blue-chips">https://www.azvalor.com/product/blue-chips</a>.</p> <p>In addition to the above risk factors, prospective investors in Shares of the Sub-Fund should consider the following risks associated with the Sub-Fund's investment in the Master Fund.</p> <p><b>Liquidity and Valuation Risk</b></p> <p>It is intended that the Sub-Fund will invest substantially all of its assets in the Master Fund, save for a residual cash amount which may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Sub-Fund.</p> <p>The Net Asset Value of the Sub-Fund will mainly depend on the net asset value of the Master Fund.</p> <p>Consequently, the Net Asset Value per Share of the Sub-Fund may be determined only after the net asset value of the Master Fund has been determined, and the number of Shares to be issued to, exchanged or redeemed from, an investor in the Sub-Fund may not be determined until the net asset value per unit of the Master Fund is determined.</p> <p>The rules applied to calculate the Net Asset Value per Share of the Sub-Fund, as described under the section 5 "Net Asset Value", presume the Sub-Fund's ability to value its investment in the Master Fund. In valuing such investment holdings, the Sub-Fund may rely on the net asset value of the Master Fund.</p> <p>Independent valuation sources such as exchange listing may not be available for the Master Fund.</p>

**AZVALOR LUX SICAV - AZVALOR BLUE CHIPS**

	<p><b>Operational and Legal Risks</b>  The main operational and legal risks associated with the Sub-Fund's investment in the Master Fund include, without being limited to, the Sub-Fund's access to information on the Master Fund, coordination of dealing arrangements between the Company and the Master Fund, the occurrence of events affecting such dealing arrangements, the communication of documents from and to the Master Fund to and from the Sub-Fund, the coordination of the involvement of the respective depositary and auditor of the Sub-Fund and the Master Fund and the identification and reporting of investment breaches and irregularities by the Master Fund. Such operational and legal risks will be mitigated and managed by the Depositary and the auditor of the Company, as applicable, in coordination with the management company, the depositary and the auditor of the Master Fund. A number of documents and/or agreements are in place to that effect, including (1) an information sharing agreement between the Company and the Master Fund, (2) an information sharing agreement between the Depositary and the depositary of the Master Fund, and (3) an information exchange agreement between the auditor of the Company and the auditor of the Master Fund.</p> <p><b>Concentration Risk and Market Risk</b>  Given the feeder nature of the Sub-Fund it will naturally be concentrated in the Master Fund. Therefore, concentration risks and market risks will mainly occur at the level of the Master Fund. In this respect, investors should carefully read the risks associated with an investment in the Master Fund, as described in the prospectus of the Master Fund.</p> <p><b>Investment Management Risk</b>  The investment performance of the Sub-Fund is substantially dependent on the investment performance of the Master Fund and, therefore, on the services provided by certain individuals to the Master Fund. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Master Fund and, consequently, the Sub-Fund, may be adversely affected.</p>
Taxation	It is the responsibility of Investors wishing to subscribe to shares of the Feeder Fund to inform themselves of the tax implications applicable to the subscription, purchase, ownership and sale of shares in their place of origin, residence or domicile.
INDEX of Reference of the Feeder Fund	MSCI World Index.
Business Day of the Feeder Fund	<p>Each business day provided that it is a full bank business day in Luxembourg.</p> <p>Each business day provided that it is a full bank business day in the city of Madrid, Spain</p>
Valuation Day of the Feeder Fund	<p>Each Business Day of the Feeder Fund.</p> <p>Those days in which there is no market for assets representing over 5% of total assets of the Master Fund shall not be considered as a Valuation Day.</p>
Calculation of NAV of the Feeder Fund	<p>The first Business Day following the Valuation Day of the Feeder Fund.</p> <p>There will be no NAV calculation when it is a bank holiday in Luxembourg.</p> <p>There will be no NAV calculation on the business day following a bank holiday in the city of Madrid, Spain.</p>
Calculation of overall exposure of the Feeder Fund	The method used to calculate the overall exposure is the commitment method.

**AZVALOR LUX SICAV - AZVALOR BLUE CHIPS**

Share classes and categories of the Feeder Fund	<p>"Class I" accumulation, denominated in euro. Class I shares are available for Institutional Investors, including those providing Discretionary Portfolio Management services and Independent Advisors (retail clients operating under an advisory management mandate shall also be considered as included in this group).</p> <p>"Class R" accumulation, denominated in euro. Class R Shares are available for non-independent advised and execution only services.</p> <p>"Class Z" accumulation, exclusively available for Board Members and/or Board Members of azValor Asset Management SGIIC, S.A., the Manager and related companies (Inversiones Advvalor SL – holding company).</p> <p>“Class S” accumulation, denominated in euro, Class S shares are available for all type of investors. This Class S will be available until the number of shareholders (including all share classes) reaches 500. Once that level is reached the Class S will be closed to new shareholders. The Board of Directors may decide to close this class, at its entire discretion. The total amount of subscriptions per Investor in this Class S cannot exceed EUR 100,000. Class S will be issued until a total subscription amount of EUR 15 million has been reached. The Board of Directors may however decide to keep the Class S Shares opened to subscriptions at its entire discretion</p>
Form of shares of the Feeder Fund	Registered.
Subscription tax of the Feeder Fund	Class I: 0.01% Classes R, S and Z: 0.05%
Stock Exchange of the Feeder Fund	N/A
Initial subscription of the Feeder Fund	Classes I: 29th December 2017 Class R: the Share Class has been launched on 1 <sup>st</sup> July 2021 Class Z: the Share Class will be launched upon a decision of the Board of Directors Class S: the Share Class will be launched upon a decision of the Board of Directors
Initial launch price of the Feeder Fund	Class I: EUR 1,000 Class R: EUR 100 Class Z: EUR 0.01 Class S: EUR 1
<b>Subscription of the Feeder Fund</b>	
Initial minimum investment	Class I: EUR 1,000 Class R: EUR 1,000 Class Z: EUR 1,000 Class S: EUR 1
Subsequent minimum investment	Class I: EUR 1,000 Class R: EUR 1,000 Class Z: EUR 1,000 Class S: EUR 1
Receipt of orders	The deadline for the receipt of orders is set at 10 a.m. (Luxembourg time) on the business day preceding the Valuation Day of the Feeder Fund.
Subscription fee	ZERO for all classes of shares
Payment of subscriptions	Within 2 business days of the Valuation Day of the Feeder Fund.

**AZVALOR LUX SICAV - AZVALOR BLUE CHIPS**

<b>Redemption of the Feeder Fund</b>	
Receipt of orders	The deadline for the receipt of orders is set at 10 a.m. (Luxembourg time) on the business day preceding the Valuation Day of the Feeder Fund.
Fee	ZERO for all classes of shares
Payment	Within a maximum of 5 business days of the Valuation Day of the Feeder Fund.
<b>Conversion of the Feeder Fund</b>	
Conversion fee	N/A
Receipt of orders	N/A except by express agreement of the Board of Directors
<b>Fees of the Feeder Fund</b>	
Manager	AZVALOR ASSET MANAGEMENT SGIIC, S.A.
Manager's fee	<p>Class I: 1.80% per annum maximum, calculated on average net asset value of the Class.</p> <p>Class R: 2.20% per annum maximum, calculated on average net asset value of the Class.</p> <p>Class Z: 1.00% per annum maximum, calculated on average net asset value of the Class.</p> <p>Class S: 1,20% per annum maximum, calculated on average net asset value of the Class. In case the Sub-Fund should pay management fees on the portion of its assets that is invested in the Master Fund, a fee rebate agreement would apply to ensure that the Class S investors do not pay more than 1.20% in management fees.</p> <p>It will be guaranteed that there will be no duplication of the management fees so that Sub-Fund's investors pay a maximum management fee as set out hereabove.</p>
Performance fee	ZERO for all classes of shares
Fees of other service providers	The fees of other service providers of the Company are shown in Sections 10, 11 and 12 of the prospectus.
Historical performance	<p>The Sub-Fund's historical performance is shown in the KID for the investor of the Sub-Fund.</p> <p>The performance shown is not a reliable indication of future performance. Past performance is not a guarantee of future performance.</p>

## AZVALOR LUX SICAV - AZVALOR MANAGERS

<p>Investment Objective and Policy of the Feeder Fund</p>	<p>The Sub-Fund is a feeder sub-fund pursuant to article 77(1) of the 2010 Act (“Feeder UCITS”) and will as such at all times invest at least 85% of its assets in units of the Master Fund (AZVALOR MANAGERS, FI) which qualifies as a “master UCITS” within the meaning of Directive 2009/65/EC.</p> <p>The Sub-Fund may hold up to 15% of its assets in ancillary assets, including cash, cash equivalents and short-term bank deposits.</p> <p>The objective of this Sub-Fund is to achieve capital appreciation through investment in the Master Fund.</p> <p>The Sub-Fund intends to realise its investment objective by investing substantially all of its assets into the units of the Master Fund. The investment objective and policy of the Master Fund, its organisation and risk profile are summarised in the section "Master Fund" below. The residual assets of the Sub-Fund will consist in ancillary liquid assets, as described above, as may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Sub-Fund. The Sub-Fund intends to minimize the level of ancillary liquid assets held for these purposes. The Sub-Fund will not enter into financial derivative instruments other than FX forwards.</p> <p>If and to the extent that voting rights attached to units of the Master Fund will be exercised on behalf of the Sub-Fund, a summary description of the strategies followed in the exercise of such rights, as well as the actions taken on the basis of those strategies, will be made available to Shareholders upon their specific request addressed to the Company.</p> <p>It is expected that the performance of the Sub-Fund will be broadly in line with that of the Master Fund subject to its level of investment in the Master Fund and safe for additional fund expenses at the level of the Sub-Fund which will affect its performance.</p> <p>The Sub-Fund is not allowed to use derivatives, “SFT” or “securities financing transaction”, asset backed securities (ABS, MBS, etc.) nor the use of financial techniques and instruments focused on transferable securities and money market instruments. Should the Sub-Fund decide to invest in such assets, the present Appendix will be updated.</p> <p>The Feeder Fund is actively managed, being invested at least for 85% of its assets in units of the actively managed Master Fund.</p> <p>The sustainability risks or ESG risks are integrated in the investment decisions relating to the Sub-Fund and have been defined in accordance with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR).</p> <p>For the purposes of the EU Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, prospective investors are hereby informed that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The integration of sustainability risks is mainly made at the level of the Master Fund. The Manager takes into account the sustainability risks in its investment decisions using specific ESG information (provided by an external vendor) for each of the securities of the portfolio as well as from another risktech provider of financial risk modeling that uses this same information in its usual settings in an integrated way. With both tools the Manager is able to periodically know the financial and ESG rating of each investment as well as for the portfolio of the Sub-Fund as a whole and feel comfortable with the conservative risk assumed. It is a process of full integration that does not use sectorial exclusions but instead best in class approach after a very in-depth fundamental value analysis where the ESG metrics will only strengthen the risk management and expected returns.</p> <p>The results of the Manager’s assessment of the likely impacts of sustainability risk on the returns of the Sub-Fund is not material thanks precisely to the sustainability risk policy and the additional procedure that integrate ESG risks together with the rest of the risks traditionally considered.</p> <p>The Sub-Fund does not have as its objective neither (i) the promotion of environmental or social characteristics nor (ii) sustainable investment or reduction in carbon emissions. ESG and sustainability aspects are not binding for the investment decisions process.</p> <p>For the time being, except as may be otherwise disclosed at a later stage on its website, the Management Company does not consider adverse impacts of investment decisions on sustainability factors. The main reason is actually the lack of information and data available to adequately assess such principal adverse impacts. Should the Management Company</p>
---	---

## AZVALOR LUX SICAV - AZVALOR MANAGERS

	<p>consider at a later stage the adverse impacts of investment decisions on sustainability factors, its website will be updated as well as the present prospectus.</p> <p>Information on the Management Company's ESG approach and its policy on the integration of ESG risks is available on the Management Company's website.</p> <p>The terms and conditions of the Manager's for taking environmental, social and governance (ESG) criteria into account in investment policy are available on the Manager's website.</p> <p>Should the Sub-Fund decide to comply with Article 8 or 9 of the SFDR, the prospectus would be updated accordingly.</p>
Master Fund	<p>The Master Fund is a collective investment fund, established and existing under the laws of Spain, registered with the Spanish supervisory authority <i>Comisión Nacional del Mercado de Valores (CNMV)</i> under registration number 5315. It was established on 26th September 2018 and is regulated and authorized by the CNMV as a UCITS fund.</p> <p>The Master Fund has been authorised by the CNMV as a "master UCITS" within the meaning of the relevant provisions of Directive 2009/65/EC. As a consequence, the Master Fund must, at all times, (i) have at least one feeder UCITS among its unitholders, (ii) not itself become a feeder UCITS, and (iii) not hold shares or units of a feeder UCITS.</p> <p>The benchmark mentioned below in the Investment objective and policy of the Master Fund does not necessarily represent the investment universe or a constraint for the portfolio allocation of the Manager of the Master Fund.</p> <p><b><u>Investment objective and policy of the Master Fund:</u></b></p> <p>Management takes as benchmark the performance of the MSCI AC World Index NR. This benchmark is used for comparison purposes only.</p> <p>The objective is to find the best investment opportunities in global equities, delegating the management on a limited number of external sub-investment managers who have been selected by the management company of the Master Fund through an exhaustive qualitative analysis process.</p> <p>The allocation to each sub-investment manager shall be 0-40% of the portfolio at the discretion of the management company of the Master Fund, who may vary the weights of the portfolios in order to avoid excessive sectoral concentration, among others. The maximum limit per sub-investment manager shall not exceed 40% of the portfolio at any time.</p> <p>Over 75% of the portfolio shall be invested in equities from all capitalisations and sectors, mainly international, in OECD issuers/markets or emerging markets (with no limits), selecting undervalued assets with high upside potential. Geographical or sectoral concentration may occur. Currency risk exposure: 0-100%.</p> <p>The rest of total exposure shall be invested in fixed income, mainly public yet also private (including liquid money market instruments both listed and unlisted) from issuers/markets of the Euro zone, in issues with a minimum rating equal to that of the Kingdom of Spain. Average duration of the fixed income portfolio: less than 18 months.</p> <p>No derivatives are used directly, except by the CIU (maximum 10%)</p> <p>Over 35% of assets may be invested in securities issued or guaranteed by a Member State of the European Union, an Autonomous Community, the International Bodies of which Spain is a member and States with a credit rating that must not be lower than that of the Kingdom of Spain.</p> <p>The CIU diversifies the investments in the aforementioned assets in, at least, six different issues. Securities from any single issue shall not account for more than 30% of the CIU's assets.</p> <p>The investment process takes into account sustainability risks and is based on proprietary and third party analysis. For this, the Manager of the Master Fund uses its own methodology and will take as a reference the available information published by the issuers of the assets and will also use data provided by external parties.</p> <p>The sustainability risk of the investments will depend, among others, on the type of issuer, the sector of activity or its geographical footprint. In this way, investments with a higher sustainability risk can cause a decrease in the price of the underlying assets and, therefore, negatively affect the NAV of the fund.</p> <p>The Manager of the Master Fund does not take into consideration adverse impacts on sustainability factors as it does not currently have due diligence policies in relation to such adverse events.</p> <p><b><u>Profile of the typical investor of the Master Fund:</u></b></p> <p>The investments described may carry, among others, the following risks: equity market risk, interest rate risk, exchange rate risk, investment risk in emerging countries, sectoral or</p>

## AZVALOR LUX SICAV - AZVALOR MANAGERS

geographical concentration risk, liquidity risk, as well as the risk of investment in derivative financial instruments.

This fund may not be suitable for investors who plan to withdraw their money within a period of less than five years.

### **Management company of the Master Fund:**

AZVALOR ASSET MANAGEMENT SGIIC, S.A.

Date of incorporation: 15/01/2008

Date of registration and Registration N°: Registered on 22/02/2008 with n° 224 in the corresponding register of the CNMV.

Registered office: PASEO DE LA CASTELLANA, 110 3° in MADRID, province of MADRID, postcode 28046. As indicated in the Registers of the CNMV, the subscribed capital amounts to 1,000,000.00 euro. The significant holdings of the management company of the Master Fund may be consulted in the Registers of the CNMV where it is entered.

### **Interaction between the Master Fund and the Company:**

Each dealing day, which means a business day on which Shares may be subscribed or redeemed will correspond to the respective dealing days for units of the Master Fund.

The Cut-off Time for accepting orders for subscription or redemption in each of the Sub-Fund and the Master Fund are also synchronized. This means that valid subscription or redemption orders for Shares of the Sub-Fund placed before the Cut-off Time for the Sub-Fund will be reflected by a same day purchase of units in the Master Fund by the Company. Valuation between the Sub-fund in the Company and the Master Fund will be coordinated so as the NAV of the Sub-fund calculated on a given Calculation Day will be based on the net asset value of the Master Fund, the latter net asset value being calculated one day prior to the Calculation Day applying to the Sub-fund in the Company. The following documents and agreements are in place for the purpose of facilitating proper coordination between the Sub-Fund and the Master Fund in accordance with the relevant provisions of the 2010 Act:

(A) the Master Fund has entered into an agreement with the Company in respect of the Sub-Fund pursuant to which the Master Fund will provide the Company with all documents and information necessary for the latter to meet the requirements laid down in the Directive 2009/65/EC. The Master Fund and the Company have further agreed appropriate measures to coordinate the timing of their net asset value determination and publication to avoid market timing in their shares and preventing arbitrage opportunities. Further, appropriate measures have been agreed between the Master Fund and the Company to address the following: mitigate conflicts of interest that may arise between the Master Fund and the Company, the basis of investment and divestment by the Company, standard dealing arrangements, events affecting dealing arrangements and standard arrangements for the audit report.

(B) The Depositary and the depositary bank of the Master Fund have entered into an agreement in order to share information regarding the Master Fund. This agreement sets out the documents and categories of information to be provided between the depositaries on a regular basis or upon request, the method and timing of transmission of information, the coordination duties of each depositary in operational matters in accordance with Luxembourg law, the coordination of accounting year end procedures, reportable breaches committed by the Master Fund, the procedure for ad hoc requests for assistance, and specific contingent events reportable on an ad hoc basis.

(C) The auditor of the Company and the auditor of the Master Fund have entered into an agreement in order to share information regarding the Master Fund. This agreement describes, especially, the documents and categories of information to be routinely shared between auditors or available upon request, the manner and timing of transmission of information, the coordination of involvement of each auditor in accounting year-end procedures of the Company and the Master Fund, reportable irregularities identified in the Master Fund and standard arrangements for ad hoc requests for assistance.



## AZVALOR LUX SICAV - AZVALOR MANAGERS

<p><b>Costs and expenses of the Master Fund:</b> At the level of the Master Fund, the fees, charges and expenses are the following</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Fees applied</th> <th style="width: 15%;">Percentage</th> <th style="width: 25%;">Basis of calculation</th> <th style="width: 35%;">Tranches/ period</th> </tr> </thead> <tbody> <tr> <td>Management (annual)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Applied directly to the fund</td> <td>2.25%</td> <td>Assets</td> <td></td> </tr> <tr> <td>Custodian (annual)</td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="3">Applied directly to the fund</td> <td>0.04%</td> <td>Assets</td> <td>Up to 100,000,000 euro*</td> </tr> <tr> <td>0.03%</td> <td>Assets</td> <td>From 100,000,000.01 euro to 200,000,000 euro*</td> </tr> <tr> <td>0.025%</td> <td>Assets</td> <td>Over 200,000,000 euro*</td> </tr> <tr> <td>Redemption discount in favour of the fund**</td> <td>3%</td> <td>Amount reimbursed</td> <td>Holdings with less than one year. Not applicable to redemptions made by the feeder fund in master-feeder structures.</td> </tr> </tbody> </table>				Fees applied	Percentage	Basis of calculation	Tranches/ period	Management (annual)				Applied directly to the fund	2.25%	Assets		Custodian (annual)				Applied directly to the fund	0.04%	Assets	Up to 100,000,000 euro*	0.03%	Assets	From 100,000,000.01 euro to 200,000,000 euro*	0.025%	Assets	Over 200,000,000 euro*	Redemption discount in favour of the fund**	3%	Amount reimbursed	Holdings with less than one year. Not applicable to redemptions made by the feeder fund in master-feeder structures.
Fees applied	Percentage	Basis of calculation	Tranches/ period																														
Management (annual)																																	
Applied directly to the fund	2.25%	Assets																															
Custodian (annual)																																	
Applied directly to the fund	0.04%	Assets	Up to 100,000,000 euro*																														
	0.03%	Assets	From 100,000,000.01 euro to 200,000,000 euro*																														
	0.025%	Assets	Over 200,000,000 euro*																														
Redemption discount in favour of the fund**	3%	Amount reimbursed	Holdings with less than one year. Not applicable to redemptions made by the feeder fund in master-feeder structures.																														
<p>* The percentage of the depository fee is applied to the total amount of assets. The management company of the Master Fund reserves the right to establish repayment agreements of part of the fees charged to Institutional Investors classified as Eligible Counterparties or Professional Clients as defined by the Securities Market Law [Ley del Mercado de Valores]. Irrespective of these fees, the fund may bear the following costs: auditing, CNMV fees, brokerage, liquidation, financial expenses from loans or overdrafts and investment analysis services. The legal maximum threshold of fees and discounts are as follows: Management fee: 2.25% annual if calculated on the basis of the fund's assets 18% if calculated on the basis of the fund's annual results 1.35% annual of assets plus 9% of annual results if calculated on the basis of both variables Custodian fee: 0.20% annual of the fund's assets Subscription and redemption fees and discounts: 5% of the price of holdings.</p> <p>Details on the actual charges and expenses incurred at the level of the Master Fund, including the TER for units of the Master Fund, are available on the website <a href="https://www.azvalor.com/product/managers">https://www.azvalor.com/product/managers</a>. The payment of subscription and redemption fees are excluded from the Master Fund. Regardless of these fees, the Master Fund may have the following expenses: intermediary fees, liquidation expenses, CNMV fees, auditing and financial expenses on loans or overdrafts.</p> <p><b>Information and documentation regarding the Master Fund:</b> The prospectus of the Master Fund is available on the website <a href="https://www.azvalor.com/product/managers">https://www.azvalor.com/product/managers</a>. A paper copy of the prospectus and the annual and semi-annual reports of the Master Fund may be obtained free of charge upon request at the registered office of the Company. Further information on the Master Fund and the information sharing agreement between the Company and the Master Fund according to article 79 (1) of the 2010 Act may be obtained at the registered office of the Company.</p>																																	
Reporting currency of the Feeder Fund	Euro																																
Investor profile of the Feeder Fund	<p>The investments of the Master Fund may entail, among others, equity market, interest rate and foreign exchange risks as well as investment risks in emerging countries.</p> <p>This fund may not be suitable for investors who plan to withdraw their money within a period of less than five years.</p>																																

## AZVALOR LUX SICAV - AZVALOR MANAGERS

<p>Risk profile of the Feeder Fund</p>	<p>The risks are shown in Section 3 of this prospectus.</p> <p>Investors are advised that the performance of the Sub-Fund may not fulfil its objectives and that they may not get back all of part of the capital they invested.</p>
<p>Risks of Investing in the Master Fund</p>	<p>The ability of the Sub-Fund to accept and process orders for subscription and redemption is dependent on the Master Fund. In the event that the Master Fund fails or refuses to process an order for subscription or redemption, or fails to settle an order for redemption, the Sub-Fund shall not be able to process an investor’s subscription or redemption orders, or pay redemption monies.</p> <p>In the event that the Master Fund is closed to subscriptions and/or redemptions, or during any period in which the calculation of the net asset value of the Master Fund has been suspended, the Sub-Fund shall not be able to process any orders for subscription or redemptions it receives and the Board of Directors is likely to resolve to suspend the Net Asset Value calculation in those circumstances, in accordance with Section 6 “SUSPENSION OF CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REDEMPTION AND CONVERSION OF SHARES”.</p> <p>Investors should review the prospectus of the Master Fund for a full description of the circumstances in which subscriptions and/or redemptions of the Master Fund may be suspended or may otherwise refuse to accept orders for subscription or redemption.</p> <p>As a feeder fund of the Master Fund, the Sub-Fund will be subject to specific risks associated with its investment into the Master Fund as well as specific risks incurred at the level of the Master Fund and its investments. If the Master Fund invests in a particular asset category, investment strategy or financial or economic market, the Sub-Fund will then become more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular asset category, investment strategy or financial or economic market.</p> <p>Therefore, before investing in Shares of the Sub-Fund, prospective investors should carefully read the description of the risk factors relating to an investment in the Master Fund, as disclosed in the prospectus of the Master Fund which is available free of charge from the Company as well as on the website <a href="https://www.azvalor.com/product/managers">https://www.azvalor.com/product/managers</a>.</p> <p>In addition to the above risk factors, prospective investors in Shares of the Sub-Fund should consider the following risks associated with the Sub-Fund's investment in the Master Fund.</p> <p><b>Liquidity and Valuation Risk</b></p> <p>It is intended that the Sub-Fund will invest substantially all of its assets in the Master Fund, save for a residual cash amount which may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Sub-Fund.</p> <p>The Net Asset Value of the Sub-Fund will mainly depend on the net asset value of the Master Fund.</p> <p>Consequently, the Net Asset Value per Share of the Sub-Fund may be determined only after the net asset value of the Master Fund has been determined, and the number of Shares to be issued to, exchanged or redeemed from, an investor in the Sub-Fund may not be determined until the net asset value per unit of the Master Fund is determined.</p> <p>The rules applied to calculate the Net Asset Value per Share of the Sub-Fund, as described under the section 5 “Net Asset Value”, presume the Sub-Fund’s ability to value its investment in the Master Fund. In valuing such investment holdings, the Sub-Fund may rely on the net asset value of the Master Fund.</p> <p>Independent valuation sources such as exchange listing may not be available for the Master Fund.</p>

## AZVALOR LUX SICAV - AZVALOR MANAGERS

	<p><b>Operational and Legal Risks</b>  The main operational and legal risks associated with the Sub-Fund's investment in the Master Fund include, without being limited to, the Sub-Fund's access to information on the Master Fund, coordination of dealing arrangements between the Company and the Master Fund, the occurrence of events affecting such dealing arrangements, the communication of documents from and to the Master Fund to and from the Sub-Fund, the coordination of the involvement of the respective depositary and auditor of the Sub-Fund and the Master Fund and the identification and reporting of investment breaches and irregularities by the Master Fund. Such operational and legal risks will be mitigated and managed by the Depositary and the auditor of the Company, as applicable, in coordination with the management company, the depositary and the auditor of the Master Fund. A number of documents and/or agreements are in place to that effect, including (1) an information sharing agreement between the Company and the Master Fund, (2) an information sharing agreement between the Depositary and the depositary of the Master Fund, and (3) an information exchange agreement between the auditor of the Company and the auditor of the Master Fund.</p> <p><b>Concentration Risk and Market Risk</b>  Given the feeder nature of the Sub-Fund it will naturally be concentrated in the Master Fund. Therefore, concentration risks and market risks will mainly occur at the level of the Master Fund. In this respect, investors should carefully read the risks associated with an investment in the Master Fund, as described in the prospectus of the Master Fund.</p> <p><b>Investment Management Risk</b>  The investment performance of the Sub-Fund is substantially dependent on the investment performance of the Master Fund and, therefore, on the services provided by the sub-managers of the Master Fund. In the event of the death, incapacity, departure, insolvency or withdrawal of key individuals of those sub-managers, the performance of the Master Fund and, consequently, the Sub-Fund, may be adversely affected.</p>
Taxation	It is the responsibility of Investors wishing to subscribe to shares of the Feeder Fund to inform themselves of the tax implications applicable to the subscription, purchase, ownership and sale of shares in their place of origin, residence or domicile.
INDEX of Reference of the Feeder Fund	MSCI AC World Index NR.
Business Day of the Feeder Fund	Each business day provided that it is a full bank business day in Luxembourg. Each business day provided that it is a full bank business day in the city of Madrid, Spain
Valuation Day of the Feeder Fund	Each Business Day of the Feeder Fund. Those days in which there is no market for assets representing over 5% of total assets of the Master Fund shall not be considered as a Valuation Day.
Calculation of NAV of the Feeder Fund	The first Business Day following the Valuation Day of the Feeder Fund. There will be no NAV calculation when it is a bank holiday in Luxembourg. There will be no NAV calculation on the business day following a bank holiday in the city of Madrid, Spain.
Calculation of overall exposure of the Feeder Fund	The method used to calculate the overall exposure is the commitment method.
Share classes and categories of the Feeder Fund	"Class I" accumulation, denominated in euro.
Form of shares of the Feeder Fund	Registered.
Subscription tax of the Feeder Fund	Class I: 0.01%
Stock Exchange of the Feeder Fund	N/A
Initial subscription of the Feeder Fund	Classes I: from 8th July 2019 to 19th July 2019.

**AZVALOR LUX SICAV - AZVALOR MANAGERS**

Initial launch price of the Feeder Fund	Class I: EUR 10
<b>Subscription of the Feeder Fund</b>	
Initial minimum investment	EUR 10 for Class I
Subsequent minimum investment	EUR 10 for Class I
Receipt of orders	The deadline for the receipt of orders is set at 10 a.m. (Luxembourg time) on the business day preceding the Valuation Day of the Feeder Fund.
Subscription fee	ZERO for all classes of shares
Payment of subscriptions	Within 2 business days of the Valuation Day of the Feeder Fund.
<b>Redemption of the Feeder Fund</b>	
Receipt of orders	The deadline for the receipt of orders is set at 10 a.m. (Luxembourg time) on the business day preceding the Valuation Day of the Feeder Fund.
Fee	ZERO for all classes of shares
Payment	Within a maximum of 5 business days of the Valuation Day of the Feeder Fund.
<b>Conversion of the Feeder Fund</b>	
Conversion fee	N/A
Receipt of orders	N/A except by express agreement of the Board of Directors
<b>Fees of the Feeder Fund</b>	
Manager	AZVALOR ASSET MANAGEMENT SGIIC, S.A.
Manager's fee	Class I: 2.25% per annum maximum, calculated on average net asset value of the Class. However, the Sub-Fund will not pay management fees on the portion of the its assets that is invested in the Master Fund, so as to make sure that there will be no duplication of the management fees.
Performance fee	ZERO for all classes of shares
Fees of other service providers	The fees of other service providers of the Company are shown in Sections 10, 11 and 12 of the prospectus.
Historical performance	The Sub-Fund's historical performance is shown in the KID for the investor of the Sub-Fund. The performance shown is not a reliable indication of future performance. Past performance is not a guarantee of future performance.

**AZVALOR LUX SICAV – ALTUM FAITH – CONSISTENT EQUITY**

<p>Investment Objective and Policy</p>	<p>The Sub-Fund promotes morally responsible investing following catholic guidelines based, among others, on the Compendium of the Social Doctrine of the Church, Pastoral Letters, Doctrinal Documents and Socially Responsible Investment Guidelines published by Conferences of Catholic Bishops or by Catholic Religious Institutions.</p> <p>To achieve this objective, the Sub-Fund will invest at least 75% of its asset in equity and securities similar to equity (such as ADR and GDR).</p> <p>The Sub-Fund is actively managed and not managed in reference to a benchmark.</p> <p>The investment decision will be guided by the “Altum Investment Guidelines” which consist on applying a screening process to the Sub-Fund’s portfolio based on the following principles:</p> <ol style="list-style-type: none"> <li>1) Promotion of Human Life: <ul style="list-style-type: none"> <li>- The Sub-Fund shall invest in companies/securities that support policies and initiatives pursuing to protect human life at every stage of its existence, from the moment of conception until natural death.</li> <li>- Respecting the life of the unborn: The Sub-Fund shall avoid investing in companies/securities involved directly or indirectly in the practice of abortion or manufacturing of abortifacients and/or contraceptives.</li> <li>- Protecting from instrumentalization of Procreation: The Sub-Fund shall avoid investing in companies/securities involved in embryonic stem cell research, fetal tissue/embryo-derived stem cell research or human cloning.</li> <li>- Promoting “culture of life” vs the establishment of the “culture of death” (St John Paul II): The Sub-Fund shall avoid investing in companies/securities involved directly or indirectly in the practice of euthanasia, death penalty or involved in the production and sale of indiscriminate weapons or weapons of mass destruction.</li> </ul> </li> <li>2) Promotion of Family: <ul style="list-style-type: none"> <li>- The Sub-Fund shall seek to invest in companies/securities that promote and recognize the social virtues and the social value of the family.</li> <li>- The Sub-Fund shall avoid investing in companies/securities whose actions and practices actively attack the Catholic conception of marriage and family.</li> </ul> </li> <li>3) Promotion of Human Dignity: <ul style="list-style-type: none"> <li>- The Sub-Fund shall seek to invest in companies/securities that manifest responsible management practices, behave responsibly towards preserving human dignity and operate with integrity (respect for labour law, no corrupt practices or unfair business practices) in the interaction with its stake-holders (employees, competitors, customers and suppliers).</li> <li>- Curbing Pornography: The Sub-Fund shall avoid investing in companies/securities with a significant involvement in producing, directing, publishing, distributing and/or retailing of adult entertainment materials of pornographic nature.</li> <li>- Promoting freedom from addictions: The Sub-Fund shall positively weigh companies/securities that promote freedom from addictive behaviours, especially those caused by alcohol, tobacco, and gambling.</li> <li>- Practicing Religious Liberty: The Sub-Fund shall avoid investing in assets from governments or companies who promote or carry out religious persecution against any faith, or deprive people from the right of religious freedom.</li> </ul> </li> <li>4) Care and Protection of the Creation: <ul style="list-style-type: none"> <li>- The Sub-Fund shall seek to promote through its investments positive initiatives performed by governments/companies that implement the highest standards in environmental behaviour.</li> <li>- The Sub-Fund shall seek to promote through its investments the implementation of environmental stewardship aimed at preserving the Creation for future generations, valuing practices and actions that promote the reduction of abusive environmental impact.</li> </ul> </li> </ol>
--	---

- The Sub-Fund shall avoid investing in companies/securities implicated in severe controversies related to their impact or abuse on the environment and natural resources.

The Manager shall implement investment decisions on the grounds of, on the one hand, its consideration as to whether the security represents an investment opportunity and, on the other hand, to whether the underlying company/security complies with the guidelines stated herein. Securities may be sold if the Manager believes they no longer represent an investment opportunity or if the Manager believes the underlying company's practices are no longer consistent with the Altum Investment Guidelines and/or the teaching of the Roman Catholic Church. In such cases, the Advisor may attempt to influence the company in question, propose the sale of the company's securities or exclude future investments in such company. The role of the Investment Advisor is to assess and monitor that the investment portfolio implemented by the Manager is consistent with the Altum Investment Guidelines. Therefore, all investment decisions will rely solely on the Manager, who will be the entity responsible for all investment decisions undertaken, respecting in all circumstances the Investment Objective and Policy and the portfolio's consistency with the Altum Investment Guidelines.

Taking into account the principles described above, equity selection is based on a rigorous process of fundamental company analysis, aiming at identifying companies the stock market valuation of which is not representative of the estimated intrinsic value, without constraints as to the capitalisation of the target companies. The portfolio can thus be exposed up to its totality in companies of small or average capitalisation (lower than a billion euros). The Sub-Fund may invest up to 3 % of its assets on the Italian AIM market.

In addition to investments in shares, and namely to manage the portfolio's exposure to the stock market, the Sub-Fund may invest in the following financial instruments:

- Money market instruments, from the public or private sector, (up to 25% of the assets) ranked as "investment grade" by the ratings agencies at the time of the purchase. The credit ratings used shall be those established by Moody's or Standard & Poor's. In the event of a difference between two agencies, the highest credit rating shall be taken into account.
- European coordinated UCITS for the cash management of the Sub-Fund (up to 10% of the assets).

Nevertheless and notwithstanding the paragraphs above, from time to time, the Sub-Fund may take temporary defensive positions, for investment purpose, cash management or in an attempt to respond with prudence to adverse market, economic and/or political conditions or because there are not enough attractive investment opportunities consistent with the Altum Investment Guidelines. In such cases, the Sub-Fund's assets may be invested, wholly or partly, not only in all types of equity and equity related securities, but also in all types of liquid transferable securities, bank deposits, money market instruments (including cash or cash equivalents), certificates of deposit or commercial paper, from the public or private sector, rated as "investment grade" by the ratings agencies at the time of purchase. The credit ratings used shall be those established by Moody's or Standard & Poor's. In the event of a difference between two agencies, the highest credit rating shall be taken into account. Any investment will be consistent with the Altum Investment Guidelines stated in the paragraphs above.

The Sub-Fund may hold ancillary liquid assets which shall be limited to bank deposit at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Act or for a period of time strictly necessary in case of unfavourable market conditions. The holding of such ancillary liquid assets is limited to 20% of the net assets of the Sub-Fund. This 20% limit may only be temporarily breached where exceptionally unfavourable market conditions so require and where such breach is justified by the interests of investors.

The Sub-Fund does not intend to use derivatives, asset backed securities (ABS, MBS, etc.) nor the use of financial techniques and instruments focused on transferable securities and money market instruments.

The Sub-Fund is not allowed to use derivatives, "SFT" or "securities financing transaction", asset backed securities (ABS, MBS, etc.) nor the use of financial techniques and instruments focused on transferable securities and money market instruments. Should the Sub-Fund decide to invest in such assets, the present Appendix will be updated.

**AZVALOR LUX SICAV – ALTUM FAITH – CONSISTENT EQUITY**

	<p>The sustainability risks or ESG risks are integrated in the investment decisions relating to the Sub-Fund and have been defined in accordance with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR).</p> <p>For the purposes of the EU Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, prospective investors are hereby informed that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The Manager takes into account the sustainability risks in its investment decisions using specific ESG information (provided by an external vendor) for each of the securities of the portfolio as well as from another risktech provider of financial risk modeling that uses this same information in its usual settings in an integrated way. With both tools the Manager is able to periodically know the financial and ESG rating of each investment as well as for the portfolio of the Sub-Fund as a whole and feel comfortable with the conservative risk assumed. It is a process of full integration that does not use sectorial exclusions but instead best in class approach after a very in-depth fundamental value analysis where the ESG metrics will only strengthen the risk management and expected returns.</p> <p>The results of the Manager’s assessment of the likely impacts of sustainability risk on the returns of the Sub-Fund is not material thanks precisely to the sustainability risk policy and the additional procedure that integrate ESG risks together with the rest of the risks traditionally considered.</p> <p>The Sub-Fund does not have as its objective neither (i) the promotion of environmental or social characteristics nor (ii) sustainable investment or reduction in carbon emissions. ESG and sustainability aspects are not binding for the investment decisions process.</p> <p>For the time being, except as may be otherwise disclosed at a later stage on its website, the Management Company does not consider adverse impacts of investment decisions on sustainability factors. The main reason is actually the lack of information and data available to adequately assess such principal adverse impacts. Should the Management Company consider at a later stage the adverse impacts of investment decisions on sustainability factors, its website will be updated as well as the present prospectus. Information on the Management Company’s ESG approach and its policy on the integration of ESG risks is available on the Management Company’s website.</p> <p>The terms and conditions of the Manager’s for taking environmental, social and governance (ESG) criteria into account in investment policy are available on the Manager’s website.</p> <p>Should the Sub-Fund decide to comply with Article 8 or 9 of the SFDR, the prospectus would be updated accordingly.</p>
Reporting currency	Euro
Investor profile	<p>This product is intended for investors wishing to profit from the potential for appreciation of the stock market, while conscious of the fact that this market may present significant risks for investors. These investors are also conscious that the market could be partially limited due to Altum Investment Guidelines.</p> <p>The recommended minimum investment horizon is five years.</p>
Risk profile	<p>The risks are shown in Section 3 of this prospectus.</p> <p>Investors are advised that the performance of the Sub-Fund may not fulfil its objectives and that they may not get back all of part of the capital they invested.</p>
Valuation Day	Each full business day in Luxembourg.
Calculation of NAV	Valuation Day +1, namely the first business day in Luxembourg following the Valuation Day.
Calculation of overall exposure	The method used to calculate the overall exposure is the commitment method.

**AZVALOR LUX SICAV – ALTUM FAITH – CONSISTENT EQUITY**

Share classes and categories	<p>"Class I" accumulation, denominated in euro. Subject to the discretion of the Management Company (taking into account local regulations), Class I shares are available for Institutional Investors, investors of discretionary portfolio management and independent advisory services, as well as investors of non-independent advisory services who (i) have separate fee arrangements with their advisors in relation to such advisory services; and (ii) the advisors do not receive or retain any other fee, rebate or payment from the Sub-Fund in relation to those services and activities.</p> <p>"Class R" accumulation, denominated in euro. Subject to the discretion of the Management Company (taking into account local regulations), Class R Shares are available for investors of non-independent advisory services (not included in "Class I") and reception, transmission and execution only services.</p> <p>"Class Z" accumulation, denominated in euro. Subject to the discretion of the Management Company (taking into account local regulations), exclusively available for Board Members and/or Board Members of azValor Asset Management SGIIC, S.A., the Manager and related companies (Inversiones Azvalor SL – holding company).</p>
Form of shares	Registered.
Subscription tax	Class I: 0.01% Classes R and Z: 0.05%
Stock Exchange	N/A
Initial subscription	Classes I and R: 2 <sup>nd</sup> July 2018 Class Z: at a later date to be determined by the Board of Directors
Initial launch price	Class I: EUR 1,000 Class R: EUR 100 Class Z: EUR 0.01
<b>Subscription</b>	
Initial minimum investment	1 share or the equivalent of one share in cash
Subsequent minimum investment	1 share or the equivalent of a share in cash
Receipt of orders	The deadline for the receipt of orders is set at 3 p.m. (Luxembourg time) on the Valuation Day
Subscription fee	ZERO for all classes of shares
Payment of subscriptions	Within 2 banking days of the Valuation Day
<b>Redemption</b>	
Receipt of orders	The deadline for the receipt of orders is set at 3 p.m. (Luxembourg time) on the Valuation Day
Fee	ZERO for all classes of shares
Payment	Within 2 banking days of the Valuation Day
<b>Conversion</b>	
Conversion fee	N/A
Receipt of orders	N/A except by express agreement of the Board of Directors
<b>Fees</b>	
Manager	AZVALOR ASSET MANAGEMENT SGIIC, S.A.



**AZVALOR LUX SICAV – ALTUM FAITH – CONSISTENT EQUITY**

Manager's fee	Class I: 1.80% per annum maximum, calculated on average net asset value of the Class. Class R: 2.20% per annum maximum, calculated on average net asset value of the Class. Class Z: 1.00% per annum maximum, calculated on average net asset value of the Class.
Performance fee	ZERO for all classes of shares
Investment Advisor	ALTUM FAITHFUL INVESTING EAFI, S.L. has been appointed by AZVALOR ASSET MANAGEMENT SGIIC, S.A. as Investment Advisor for the Sub-Fund.
Investment Advisory fees	For the performance of its duties, the Investment Advisor will receive a fee from the Manager, AZVALOR ASSET MANAGEMENT SGIIC, S.A.
Fees of other service providers	The fees of other service providers of the Company are shown in Sections 10, 11 and 12 of the prospectus.
Historical performance	The Sub-Fund's historical performance is shown in the KID for the investor of the Sub-Fund. The performance shown is not a reliable indication of future performance. Past performance is not a guarantee of future performance.