

PROTEA FUND

PROTEA FUND

Société d'investissement à capital variable incorporated in Luxembourg

PROSPECTUS

January 2026

No person is authorised to give any information other than that contained in the Prospectus and in documents referred to herein. The original English text of this Prospectus is the legal and binding version.

NOTE TO THE READERS

The attention of the reader is drawn to the fact that this Prospectus is composed of two parts.

The main part of the Prospectus describes the nature of PROTEA FUND (the “Fund”), presents its general terms and conditions and sets out its management and investment parameters which apply to the Fund as well as to the different Compartments that compose the Fund.

The second part groups the appendices relating to each of the Compartments in operation. The investment policy of each Compartment, as well as its specific features, are described in the appendices attached to the end of the main body of the Prospectus.

The appendices are an integral part of this Prospectus; they will be updated with the creation of each new Compartment.

Finally, investors or individuals related to potential investors are hereby informed that the Annex I to the Prospectus headed “Privacy Notice” (the “Privacy Notice”) applies to the processing of their personal data by the Fund. If investors share personal data on individuals relating to such investors with the Fund, investors must ensure that they have provided a fair processing notice informing the data subjects of the Fund’s processing of such personal data as described in the Privacy Notice, including notifying data subjects of any updates to the Privacy Notice. Where required, investors must obtain the necessary consent from data subjects to the processing of personal data as described in the Privacy Notice. Investors who share personal data relating to such investors with the Fund shall indemnify and hold the Fund harmless for any and against all direct and indirect damages and financial consequences arising from any breach of these warranties.

For further information, please refer to the table of contents on page 3 of this Prospectus.

MANAGEMENT AND ADMINISTRATION.....	5
SUMMARY	7
DEFINITIONS	11
MAIN PART OF THE PROSPECTUS.....	19
1. LEGAL STATUS.....	19
2. INVESTMENT OBJECTIVES AND FUND STRUCTURE.....	19
3. ORGANISATION OF MANAGEMENT AND ADMINISTRATION.....	19
4. RIGHTS OF THE SHAREHOLDERS	26
5. SUBSCRIPTIONS	28
6. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS	29
7. ISSUE PRICE.....	30
8. REDEMPTIONS	30
9. CONVERSION	31
10. DILUTION LEVY	32
11. CALCULATION OF THE NET ASSET VALUE.....	32
12. SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICES.....	34
13. NET ASSET VALUE ADJUSTMENT (“SWING PRICING”).....	35
14. INCOME DISTRIBUTION	36
15. FUND EXPENSES	36
16. RISK CONSIDERATIONS	38
17. TAX STATUS.....	55
18. EXCHANGE OF INFORMATION FOR TAX PURPOSES	55
19. BUSINESS YEAR.....	56
20. PERIODICAL REPORTS AND PUBLICATIONS.....	56
21. LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS.....	57
22. DOCUMENTS AVAILABLE FOR INSPECTION	59
23. INVESTMENT RESTRICTIONS	59
24. INVESTMENTS IN FINANCIAL DERIVATIVE INSTRUMENTS AND USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES.....	66
25. RISK MANAGEMENT PROCESS	71
26. CONFLICTS OF INTEREST	71
APPENDIX 1	74
COMPARTMENTS ALREADY IN OPERATION.....	74
1. PROTEA FUND – ORION	74
2. PROTEA FUND – AC FUND BALANCED	77
3. PROTEA FUND – CROV	85
4. PROTEA FUND – BAM EUROPEAN FAMILY ENTERPRISES	89
5. PROTEA FUND – WEALTHYON WORLD EQUITY	104
6. PROTEA FUND – ORCADIA GSB.....	110
7. PROTEA FUND – DOGMA RENOVATIO CREDIT FUND.....	130
8. PROTEA FUND – ORCADIA EQUITIES EMU SRI EX-FOSSIL	138
9. PROTEA FUND – NAO EUROPEAN EQUITIES	153
10. PROTEA FUND – NAVERA CORE EQUITY WITH FIXED INCOME STRATEGY GBP.....	167
11. PROTEA FUND – NAVERA HIGH EQUITY STRATEGY GBP	183
12. PROTEA FUND – BAM SWISS FAMILY ENTERPRISES	199
13. PROTEA FUND – BAM GLOBAL EQUITIES.....	215

PROTEA FUND

14.	PROTEA FUND – BAM SWISS EQUITIES	222
15.	PROTEA FUND – ORCADIA GSD	237
16.	PROTEA FUND – VARIUS PATRIMOINE.....	257
17.	PROTEA FUND – SECTORAL BIOTECH OPPORTUNITIES FUND.....	271
18.	PROTEA FUND – SECTORAL HEALTHCARE OPPORTUNITIES FUND.....	289
19.	PROTEA FUND – LAPIS GLOBAL TOP 50 DIVIDEND YIELD FUND.....	311
20.	PROTEA FUND – NAVERA GLOBAL EQUITY STRATEGY.....	317
21.	PROTEA FUND – LAPIS GLOBAL INNOVATION LEADERS 50 DIVIDEND YIELD FUND	336
22.	PROTEA FUND – NAVERA CORE EQUITY WITH FIXED INCOME STRATEGY USD	341
23.	PROTEA FUND – WEALTHEON HIGH CONVICTION WORLD EQUITY	360
24.	PROTEA FUND – WEALTHEON VALUE WORLD EQUITY	366
25.	PROTEA FUND – ABS SELECTION FUND.....	371
26.	PROTEA FUND – HYBRID BONDS FUND	382
ANNEX 1		391
PRIVACY NOTICE.....		391
1.	SCOPE OF THIS PRIVACY NOTICE.....	391
2.	DATA CONTROLLER	391
3.	PERSONAL DATA BEING PROCESSED.....	391
4.	PURPOSES FOR WHICH PERSONAL DATA IS BEING PROCESSED	392
5.	PERSONAL DATA BEING PROCESSED.....	393
6.	DATA RECIPIENT.....	393
7.	TRANSFER OF PERSONAL DATA	394
8.	DATA RETENTION PERIOD	394
9.	AUTOMATED DECISION MAKING PROCESS INCLUDING PROFILING.....	395
10.	INDIVIDUAL’S RIGHTS	395
11.	AMENDMENT OF THIS PRIVACY NOTICE	396
ANNEX 2		397
VENDOR DISCLOSURES		397

MANAGEMENT AND ADMINISTRATION

Registered office of the Fund	15, avenue J.F. Kennedy L-1855 Luxembourg Grand-Duchy of Luxembourg
Board of Directors Chairman	Mr Jean-François Pierrard FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg Grand-Duchy of Luxembourg
Directors	Mr Rémy Obermann Independent Director Hameau de Fossard 7 CH-1226 Thônex Switzerland Mrs Michèle Berger Independent director 31 Grand-Rue L -8372 Hobscheid Grand-Duchy of Luxembourg
Management Company	FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand-Duchy of Luxembourg
Board of directors of the Management Company	Mr Marc Briol CEO Pictet Asset Services Banque Pictet & Cie S.A., Geneva 60, route des Acacias, CH-1211 Genève 73 Switzerland Mr Dorian Jacob, Managing Director Chief Executive Officer FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg Mr Geoffroy Linard De Guertechin Independent Director 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg Mrs Christel Schaff, Independent Director 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg

	<p>Mr Cédric Vermesse, CFO, Pictet Asset Management Banque Pictet & Cie S.A., Geneva 60, route des Acacias, CH-1211 Genève 73, Switzerland</p> <p>Mr Pierre Etienne, Independent Director 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg</p>
Conducting persons of the Management Company	<p>Mr Dorian Jacob, <i>Chief Executive Officer</i></p> <p>Mr Abdellali Khokha, <i>Conducting Officer in charge of Risk Management, Conducting Officer in charge of Compliance</i></p> <p>Mr Thomas Labat, <i>Conducting Officer in charge of the Portfolio Management</i></p>
Depository	<p>Bank Pictet & Cie (Europe) AG, succursale de Luxembourg 15A, avenue J.F. Kennedy L-1855 Luxembourg Grand-Duchy of Luxembourg</p>
UCI Administrator	<p>FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg Grand-Duchy of Luxembourg</p>
Auditor	<p>Deloitte Audit, <i>Société à responsabilité limitée</i> 20, boulevard de Kockelscheuer L-1821 Luxembourg Grand-Duchy of Luxembourg</p>
Legal advisor	<p>Allen Overy Shearman Sterling SCS, <i>société en commandite simple</i> 5, avenue J.F. Kennedy L-1855 Luxembourg Grand-Duchy of Luxembourg</p>

SUMMARY

The main part of the Prospectus describes the nature of the Fund, presents its general terms and conditions and sets out its management and investment parameters which apply to the Fund as well as to the different Compartments that compose the Fund.

The Directors, whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund, the Directors and/or the Management Company. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The information contained in this Prospectus will be supplemented by the KIDs, the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered office of the Fund.

The Fund is an open-ended investment company organised as a *société d'investissement à capital variable* (SICAV). The Fund is registered under Part I of the law dated 17 December 2010 on undertakings for collective investment, as may be amended from time to time (the "2010 Law"). This registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

United States: None of the Shares have been, nor will be registered under the United States Securities Act of 1933 and the Shares may not be offered or sold directly or indirectly in the United States of America or to any U.S. Person, as this term is defined by the Regulation S under the Securities Act of 1933 ("U.S. Person"). In addition, the Shares may not be offered or sold to any corporation controlled by, or a majority of whose Shares are held by U.S. Persons.

Furthermore, no person that could be considered as a U.S. taxpayer, as per the United States of America laws and regulations (as may be amended from time to time) is entitled to be registered in the books of the Fund as a Shareholder. The same applies to an entity which is held, for at least 10% of its Shares and/or interests, by such a U.S. taxpayer.

Generally: the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable

exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

For further information, please refer to the table of contents of this Prospectus. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

In view of economic and share market risks, no assurance can be given that the Fund will achieve its investment objectives and the value of the Shares can rise or fall.

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

Benchmark Regulation

In accordance with the provisions of the Benchmark Regulation, supervised entities may use benchmarks in the EU if the benchmark is provided by an administrator which is included in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation (the "Register"). Benchmark administrators located in the EU whose indices are used by the Fund are inscribed in the Register. Benchmark administrators located in a third country whose indices are used by the Fund benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the Register. Benchmark administrators whose indices are used by the Fund are detailed in the description of the Compartments.

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

SFDR

SFDR which is part of a broader legislative package under the European Commission's Sustainable Action Plan, came into effect on 10 March 2021. To meet the SFDR disclosure requirements, the Management Company identifies and analyses Sustainability Risk as part of its risk management process. The Investment Managers believe that the integration of this risk analysis could help to enhance long-term risk adjusted returns for Investors, in accordance with the investment objectives and policies of the Compartments. Where Sustainability Risks occur for assets of a specific Compartment, there will be a negative impact on such Compartment that may result in a negative impact on the returns for the investors of such Compartment. The Management Company therefore requires the Investment Managers to integrate Sustainability Risks in their investment process.

The Investment Managers integrate Sustainability Risks and opportunities into their research analysis and investment decision-making processes. If one or more Sustainability Risks crystallise, there may be a negative impact on the value of the Compartment, and therefore returns to investors and performance of the Compartment. However, Compartments have a robust approach in place to seek to mitigate the impact of Sustainability Risk on their returns, including (among other things) by integrating the consideration of such risks into the investment decision-making process, and through monitoring and

management where relevant, in each case, as described herein. It cannot be excluded that among other counterparties or sectors in which such Compartments will invest may have bigger exposure to such Sustainability Risks than others. An ESG event or condition is an event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Compartment's investment. Sustainability Risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Assessment of Sustainability Risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of Sustainability Risks can be many and varied according to a specific risk, region or asset class.

Unless otherwise provided for a specific Compartment in its relevant Compartment's Appendix, the Compartments do not promote environmental or social characteristics, and do not have as objective sustainable investment (as provided by Articles 8 or 9 of SFDR). The Compartments which do not promote environmental or social characteristics nor have as objective sustainable investments (as provided by Articles 8 or 9 of SFDR) will remain subject to Sustainability Risks.

For the purposes of Article 7(2) of SFDR, the Management Company confirms in relation to the Fund and each Compartment, unless otherwise provided for a specific Compartment, that it does not consider the adverse impacts of investment decisions on sustainability factors at the present time. Sustainability factors are defined by SFDR as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

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

Disclosure of identity

The Fund, the Management Company, the UCI Administrator or the Depositary may be required by law, regulation or government authority or where it is in the best interests of the Fund to disclose information in respect of the identity of Investors.

The Fund is required under Luxembourg law to (i) obtain and hold accurate and up-to-date information (i.e. full names, nationality/ies, date and place of birth, address and country of residence, national identification number, nature and extent of the interest in the Fund) about its beneficial owners (as such term is defined under the AML Act 2004 and relevant supporting evidence and (ii) file such information and supporting evidence with the Luxembourg Register of beneficial owners (the "RBO") in accordance with the Luxembourg act of 13 January 2019 creating a Register of beneficial owners (the "RBO Act 2019").

The attention of Investors is drawn to the fact that further to the Court of Justice of the European Union (CJEU) judgement of 22 November 2022 delivered in joined cases C 37/20 and C 601/20 and the Circular

Luxembourg Business Register (LBR) 22/01, the RBO information of beneficial owner(s) will be available to professionals subject to the AML Act 2004, via a dedicated procedure. It should be noted that the information contained in the RBO (is not generally accessible, unless a limited disclosure is authorised (however, the beneficial owner's national identification number and address of the beneficial owner) will be available to the public as from 1 September 2019, unless a limited access exemption is applied for and granted. Luxembourg national authorities and professionals (as referred to in the Luxembourg act of 12 November 2004 relating to the fight against money-laundering, as amended) may request that the Fund gives them access to the RBO information (as well as its legal owners). Investors, their direct or indirect (share)holders who are natural persons, the natural person(s) who directly or indirectly control(s) the Fund, the natural person(s) on whose behalf Investors may act, may qualify as beneficial owner(s), and beneficial ownership may evolve or change from time to time in light of the factual or legal circumstances. Beneficial owners are under a statutory obligation to provide to the Fund all relevant information about them as referred to above. Non-compliance with this obligation may expose beneficial owners to criminal sanctions.

Each Investor, by subscribing to Shares, accepts and agrees that the Fund and any service provider cannot incur any liability for any disclosure about a beneficial owner made in good faith to comply with Luxembourg law.

Each Investor, by subscribing to Shares, accepts and agrees to promptly provide upon request the Fund with all information, documents and evidence that the Fund may require to satisfy its obligations under any applicable laws and in particular the RBO Act.

DEFINITIONS

In this Prospectus, the following defined terms shall have the following meanings:

“2010 Law”	Means the law dated 17 December 2010 on undertakings for collective investment, as may be amended from time to time;
“AML Act 2004”	Means the Luxembourg act of 12 November 2004 relating to the fight against money-laundering and the financing of terrorism, as amended;
“Appendix”	Means each supplement to this Prospectus describing the specific features of a Compartment. Each such supplement is to be regarded as an integral part of the Prospectus;
“Articles”	Means the articles of incorporation of the Fund as the same may be amended, supplemented or otherwise modified from time to time;
“Auditor”	Means Deloitte Audit, <i>Société à responsabilité limitée</i> ;
“Benchmark Regulation”	Means EU Regulation 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;
“Board of Directors”	Means the board of directors of the Fund;
“Business Day”	Means a day on which banks are open for business (during the whole day) in Luxembourg, unless otherwise specified for a Compartment;
“Business Year”	Means a 12 months period ending on 31 December;
“Cash Equivalents”	Means bank term deposits, Money Market Instruments, money market UCITS and/or other UCIs (listed under article 41(1) of the 2010 Law) that are highly liquid assets and that can be easily converted into cash;
“CHF”	Means Swiss franc, the currency of the Swiss Confederation;
“Circular 04/146”	Means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;
“Compartment”	Means a separate portfolio of assets established for one or more categories of Shares which is invested in accordance with a specific investment objective. The specifications of each Compartment will be described in their relevant Appendices;
“Contingent Convertible Bonds”	Refers to subordinated contingent capital securities, instruments issued by banking/insurance institutions to increase their capital buffers in the framework of new banking/insurance regulations. Under the terms of a contingent convertible bond, certain triggering events (such as a decrease of the issuer’s capital ratio below a certain threshold or a decision of the issuer’s regulatory authority) could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity;

“CSSF”	Means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority;
“Depository”	Means Bank Pictet & Cie (Europe) AG, succursale de Luxembourg acting as depository of the Fund;
“Depository Agreement”	Means the agreement between the Fund and Bank Pictet & Cie (Europe) AG, succursale de Luxembourg acting as depository, as amended, supplemented or otherwise modified from time to time;
“Directive 78/660/EEC”	Means Council Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) (g) of the Treaty on the annual accounts of certain types of companies, as amended from time to time;
“Directive 83/349/EEC”	Means Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended from time to time;
“Directive 2007/16/EC”	Means Commission Directive 2007/16/EC of 19 March 2007 implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
“Directive 2009/65/EC”	Means 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);
“Directors”	Means the directors of the Fund, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
“Eligible Investments”	Means eligible investments for investment by UCITS within the meaning of Article 41 (1) of the 2010 Act;
“EPM Techniques”	Means techniques and instruments relating to Transferable Securities and Money Market Instruments;
“ESG”	Means environmental, social and governance;
“ESMA Guidelines 2014/937”	ESMA Guidelines 2014/937 of 1 August 2014 on ETFs and other UCITS issues;
“EU”	Means the European Union;
“EU Member State”	Means a member State of the EU;
“EU Savings Directive”	Means the Council Directive 2003/49/EC of 3 June 2003 on the taxation of savings income in the form of interest payments;
“EUR”	Means Euro, the single currency of the EU Member States that have adopted the Euro as their lawful currency;

“GBP”	Means Great Britain Pound, the currency of the United Kingdom;
“General Meeting”	Means a general meeting of the Shareholders;
“Grand-Ducal Regulation”	Means the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions;
“Group of Companies”	Means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules;
“Initial Subscription Date” or “Initial Subscription Period”	Means, with respect to each Compartment, the first offering of Shares in a Compartment made pursuant to the terms of the Prospectus and the Appendix of the relevant Compartment;
“Initial Subscription Price”	Means the price at which Shares are issued in respect of subscriptions received during the Initial Subscription Period, as determined for each Compartment and category of Shares in the Appendix of the relevant Compartment;
“Institutional Investor”	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Law;
“Interested Parties” or “Interested Party”	Has the meaning set out in Section 26 of the main body of the Prospectus;
“Investing Compartment”	Has the meaning as set out in Section 23.32 of the main body of the Prospectus;
“Investment Adviser”	Means such entity from time to time appointed as investment adviser of a particular Compartment as disclosed in the relevant Appendix;
“Investment Advisory Agreement”	Means the investment advisory agreement entered into with a particular Investment Adviser of a Compartment as further set out in the Appendix of the relevant Compartment;
“Investment Company Act”	Means the U.S. Investment Company Act of 1940, as amended;
“Investment Management Agreement”	Means the investment management agreement entered into with a particular Investment Manager of a Compartment as further set out in the Appendix of the relevant Compartment;
“Investment Manager”	Means such entity from time to time appointed as investment manager of a particular Compartment as disclosed in the relevant Appendix;

“KID”	Means key information document in respect of each Compartment or category of Shares (as appropriate) for the purposes of Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended;
“Luxembourg”	Means the Grand Duchy of Luxembourg;
“Luxembourg Official Gazette”	Means the <i>Mémorial C, Recueil des Sociétés et Associations</i> or the <i>Recueil Electronique des Sociétés et Associations</i> (“RESA”);
“Management Company”	Means FundPartner Solutions (Europe) S.A.;
“Management Company Services Agreement”	Means the agreement between the Fund and the Management Company as amended, supplemented or otherwise modified from time to time;
“Market Timing”	Means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;
“Money Market Instruments”	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
“Net Asset Value” or “NAV”	Means, (i) in relation to the Fund, the value of the net assets of the Fund, (ii) in relation to each Compartment, the value of the net assets attributable to such Compartment, and (iii) in relation to each category of Shares in a Compartment, the value of the net assets attributable to such category of Shares, in each case, calculated in accordance with the provisions of the Articles and the Prospectus;
“Net Asset Value per Share” or “NAV per Share”	Means the Net Asset Value of the relevant Compartment divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Compartment has more than one category of Shares in issue, the portion of the Net Asset Value of the relevant Compartment attributable to a particular category of Shares divided by the number of Shares of such category of Shares in the relevant Compartment which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);
“NOK”	Means Norwegian Krone, the currency of Norway;
“OECD”	Means the Organisation for Economic Co-operation and Development;
“OECD Member	Means any of the member States of the OECD;

State”

“OTC”

Means over-the-counter;

“OTC Derivative”

Means any financial derivative instrument dealt in over-the-counter;

“Other Regulated Market”

Means a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed in current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public;

“Other State”

Means any state of Europe which is not an EU Member State and any state of America, Africa, Asia, Australia and Oceania and, as appropriate, of the OECD;

“PRC”

Means The People's Republic of China and for the purpose herein, excluding Hong Kong, Macau and Taiwan;

“Prospectus”

Means the sales prospectus relating to the issue of Shares in the Fund, as amended from time to time;

“Reference Currency”

Means, in relation to each Compartment, the currency in which the Net Asset Value of such Compartment is calculated, as stipulated in the Appendix of the relevant Compartment;

“Regulated Market”

Means a regulated market as defined by the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments (the “Directive 2004/39/CE”), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operations of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/CE;

“REITs”

Means real estate investment trusts;

“Repurchase Transaction”

Means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject

	to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a Repurchase Transaction agreement for the counterparty selling the securities and a reverse Repurchase Transaction agreement for the counterparty buying them;
"Section"	Means a section of this Prospectus;
"Securities Act"	Means the U.S. Securities Act of 1933, as amended;
"Securities Financing Transaction or SFT"	Means (i) a Repurchase Transaction; and (ii) Securities Lending and Securities Borrowing; as defined under the SFTR;
"Securities Lending" or "Securities Borrowing"	Means a transaction by which a counterparty transfers subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
"SFDR"	Means Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector;
"SFDR RTS"	Means the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports;
"SFT Agent"	Means any person involved in SFTs and/or TRS as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Fund's assets or any Compartment's assets (which can be the counterparty of a Compartment in an SFT and/or a TRS);
"SFTR"	Means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;
"Shareholder"	Means a person who is the registered holder of Shares in the Fund;
"Shares"	Means shares in the Fund, of such category of Shares and denominated in such currencies and relating to such Compartments as may be issued by the Fund from time to time;
"Sustainable Investment"	Means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource

efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

“Sustainability 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 the investment and potentially a total loss of its value and therefore an impact on the Net Asset Value of the concerned Compartment;

“Target Compartment” Has the meaning as set out in Section 23.32 of the main body of the Prospectus;

“Taxonomy Regulation” Means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;

“Transferable Securities” Means

- shares and other securities equivalent to shares;
- bonds and other debt instruments;
- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments, within the meaning of the 2010 Law;

“TRS” TRS means total return swap, i.e., a derivative contract as defined in point (7) of article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;

“UCI” Means an undertaking for collective investment within the meaning of article 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in an EU Member State or not, provided that:

- such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
- the level of guaranteed protection for Shareholders in such UCI is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market

	<p>Instruments are equivalent to the requirements of the UCITS Directive;</p> <ul style="list-style-type: none"> the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
"UCI Administrator"	Means FundPartner Solutions (Europe) S.A. when providing administrative agency, registrar and transfer agency, paying agency and domiciliary services;
"UCITS"	Means an undertaking for collective investment in transferable securities under the UCITS Directive;
"UCITS-CDR"	Means the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EC with regard to obligations of depositaries;
"UCITS Directive"	Means Directive 2009/65/EC;
"United States" or "U.S."	Means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
"USD"	Means the United States Dollar, the currency of the United States of America;
"U.S. Person"	Means, unless otherwise determined by the Directors, (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who qualify as U.S. Persons or otherwise as qualified eligible persons represent in the aggregate ten per cent or more of the beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; or (vi) any other "U.S. Person" as such term may be defined in Regulation S under the Securities Act, or in regulations adopted under the U.S. Commodity Exchange Act, as amended;
"Valuation Day"	Means each Business Day as at which the Net Asset Value will be determined for each category of Shares in each Compartment, unless otherwise stipulated in the Appendix of the relevant Compartment.

MAIN PART OF THE PROSPECTUS

1. LEGAL STATUS

- 1.1 PROTEA FUND is an investment company with variable capital ("*société d'investissement à capital variable*" - SICAV) governed by Luxembourg law, established in accordance with the provisions of Part I of the 2010 Law.
- 1.2 The Fund was incorporated in accordance with the provisions of Part I of the law of 30 March 1988 relating to undertakings for collective investment for an indefinite period on 10 January 2001, with an initial capital of EUR35,000 under the name PROTEA FUND and its Articles were published in the Luxembourg Official Gazette on 22 February 2001. They were last amended by notarial act dated 21 July 2010.
- 1.3 The Fund is registered with the Luxembourg trade and companies register under number B80092.
- 1.4 The Fund's capital shall at all times be equal to the value of its total net assets; it may never fall below the minimum capital as required by law. This minimum capital shall be reached within a period of six months following registration of the Fund in the official list of UCIs by the CSSF.

2. INVESTMENT OBJECTIVES AND FUND STRUCTURE

- 2.1 The purpose of the Fund is to offer investors access to a world-wide selection of markets and a variety of investment techniques via a range of speciality products ("Compartments") included under a same and single structural umbrella.
- 2.2 The investment policy implemented in the various Compartments shall be laid down by the Board of Directors. A broad spread of risks will be achieved by diversifying investments over a large number of Transferable Securities and other assets permitted by the 2010 Law. The selection of securities will not be limited - except under the terms of the restrictions specified in the Section 23 "Investment Restrictions" below - as regards geographical area or economic consideration, nor as regards the type of eligible instruments.
- 2.3 The net assets forming each Compartment are represented by Shares which may belong to different categories of Shares. All the Compartments together form the Fund. Where different categories of Shares are issued, the information pertaining thereto is given in on the Appendix.
- 2.4 The Board of Directors is entitled to create new Compartments. A list of those Compartments in existence at present, together with a description of their investment policy and main features, is attached as Appendix to this Prospectus.
- 2.5 This list forms an integral part of this Prospectus and will be updated whenever new Compartments are created.

3. ORGANISATION OF MANAGEMENT AND ADMINISTRATION

- 3.1 The Board of Directors is responsible for managing the Fund, monitoring its operations as well as specifying and implementing investment policy.
- 3.2 Notwithstanding the foregoing, the Fund may designate a management company, in accordance with the relevant provisions of the 2010 Law.

Management Company

Corporate information

- 3.3 The Directors have appointed FundPartner Solutions (Europe) S.A. to serve as its designated management company of the Fund (the “Management Company”) within the meaning of the 2010 Law and pursuant to a management company services agreement entered into between the Fund and the Management Company with effect as of 29 March 2014 (the “Management Company Services Agreement”).
- 3.4 FundPartner Solutions (Europe) S.A. was incorporated as a *société anonyme* (public limited liability company) under Luxembourg law for an indefinite period on 17 July 2008, under the denomination Funds Management Company S.A. Its fully paid-up capital is CHF6,250,000 at the date of this Prospectus.

Duties

- 3.5 The Management Company will provide, subject to the overall control of the Board of Directors, and without limitation: (i) asset management services; (ii) central administration, registrar and transfer agency services; and (iii) distribution services to the Fund. The rights and duties of the Management Company are further set out in articles 101 et seq. of the 2010 Law.
- 3.6 The Management Company must at all time act honestly and fairly in conducting its activities in the best interests of the Shareholders, and in conformity with the 2010 Law, this Prospectus and the Articles.
- 3.7 The Management Company is vested with the day-to-day management and administration of the Fund. In fulfilling its duties pursuant to the 2010 Law, and the Management Company Services Agreement, the Management Company is authorised, for the purposes of the efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Fund, and subject to the approval of the CSSF, part, or all of its functions and duties to any third party, which, having regard to the nature of the functions, and duties to be delegated, must be qualified and capable of undertaking the duties in question.
- 3.8 The Management Company will require any such agent to which the Management Company intends to delegate its duties to comply with the provisions of the Prospectus, the Articles, and the relevant provisions of the Management Company Services Agreement, as well as the 2010 Law.
- 3.9 In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms, and procedures, including risk management controls, and regular reporting processes in order to ensure the effective supervision of the third parties to whom functions, and duties have been delegated, and that the services provided by such third party service providers are in compliance with the Articles, this Prospectus and the agreements entered into with the relevant third party service providers, as well as the 2010 Law. When delegating a duty or a function, the Management Company shall ensure that nothing in the related agreement shall prevent it from giving at any time further instructions to the party to whom such duty or function has been delegated or from withdrawing the relevant mandate with immediate effect when this is in the interests of the Shareholders.
- 3.10 The Management Company shall be careful, and diligent in the selection, and monitoring of the

third parties to whom functions and duties may be delegated, and ensure that the relevant third parties have sufficient experience, and knowledge, as well as the necessary authorisation required to carry out the functions delegated to such third parties.

3.11 The following functions have been delegated by the Management Company to third parties:

- (a) investment management of the Compartments; and
- (b) marketing and distribution,

as further set out in this Prospectus

3.12 The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (the "Remuneration Policy").

3.13 The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Fund or the Compartments.

3.14 The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the Shareholders and includes measures to avoid conflicts of interest.

3.15 In particular, the Remuneration Policy will ensure that:

- (a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- (b) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (c) the 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;
- (d) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- (e) if at any point of time, the management of the Fund were to account for 50% or more of the total portfolio managed by the Management Company, at least 50%, of any variable

remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and

- (f) a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Fund.

- 3.16 Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of the staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website www.group.pictet/fps.
- 3.17 A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.
- 3.18 The Management Company Services Agreement has been entered into for an undetermined period of time, and may be terminated, in particular, by either party upon serving to the other a written notice at least 3 (three) months prior to the termination.

Depository

- 3.19 Bank Pictet & Cie (Europe) AG, succursale de Luxembourg has been designated as the Depository for the Fund pursuant to the Depository Agreement entered into for an indefinite period.
- 3.20 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 depository functions under the terms of Luxembourg law.
- 3.21 On behalf of and in the interests of the Shareholders, as Bank Pictet & Cie (Europe) AG, succursale de Luxembourg is in charge of (i) the safekeeping of cash and securities comprising the Fund's assets, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the Depository Agreement.

Duties of the Depository

- 3.22 The Depository is entrusted with the safekeeping of the Fund's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depository or, to the extent permitted by applicable laws and regulations, through every third-party custodian/sub-custodian providing, in principle, the same guarantees as the Depository itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the Luxembourg Law of 5 April 1993 on the financial sector as amended 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 Depository also ensures that the Fund's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Fund has been booked in the cash account in the name of (i) the Fund, (ii) the Management Company on behalf of the Fund or (iii) the Depository on behalf of the Fund.
- 3.23 The Depository must notably:

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

3.24 The Depositary regularly provides the Fund and the Management Company with a complete inventory of all assets of the Fund.

Delegation of functions

3.25 Pursuant to the provisions of the Depositary Agreement, the Depositary may, subject to certain conditions and in order to more efficiently conduct its duties, delegate part or all of its safekeeping duties over the Fund's assets including but not limited to holding assets in custody or, where assets are of such a nature that they cannot be held in custody, verification of the ownership of those assets as well as record-keeping for those assets, to one or more third-party delegates appointed by the Depositary from time to time. The Depositary 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 shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged. The fees of any third-party delegate appointed by the Depositary shall be paid by the Fund.

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

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

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

Conflicts of interests

- 3.29 In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the Shareholders.
- 3.30 Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its delegates of other services to the Fund, the Management Company and/or other parties. As indicated above, Depositary's affiliates are also appointed as third-party delegates of the Depositary. Potential conflicts of interest which have been identified between the Depositary 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).
- 3.31 The Depositary (or any of its delegates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund and/or other funds for which the Depositary (or any of its delegates) acts.
- 3.32 The Depositary 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 Fund either by the Depositary itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. The details of potential conflicts of interest listed above are available free of charge from the registered office of the Depositary 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.coredownload.pdf.
- 3.33 On a regular basis, the Depositary re-assesses those services and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.
- 3.34 Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Fund and will treat the Fund 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 Fund and the Shareholders. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Depositary's depositary functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.
- 3.35 The Depositary or the Fund may terminate the Depositary Agreement at any time, by giving at least three months' written notice to the other party; provided, however, that any decision by the Fund to end the Depositary's appointment is subject to another custodian bank taking on the duties and responsibilities of the Depositary, and provided further that, if the Fund terminates the Depositary's duties, the Depositary will continue to perform its duties until the Depositary has been relieved of all the Fund's assets that it held or had arranged to be held on behalf of the Fund. Should the Depositary itself give notice to terminate the Depositary Agreement, the Fund will be required to appoint a new depositary bank to take over the duties and responsibilities of the Depositary; provided, however, that, as of the date when the notice of termination expires and until a new depositary bank is appointed by the Fund, the Depositary will only be required to take any necessary measures to safeguard the best interests of Shareholders.

- 3.36 Up-to-date information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Fund's registered office.
- 3.37 The Depositary is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Fund's net assets and paid on a quarterly basis.

UCI Administrator

- 3.38 The Management Company also provides administrative agency, registrar and transfer agency, paying agency and domiciliary services to the Fund (the Management Company in this capacity, the UCI Administrator). In that context and as further described in the relevant agreement, the UCI Administrator will as:
- register and transfer agent, inter alia be responsible to maintain the register of Shareholders and to proceed with the issue, conversion and redemption of Shares in accordance with this Prospectus and the Articles;
 - administrative agent, be responsible (i) for the calculation and publication of the Net Asset Value of the Shares of each Compartment and class pursuant to the 2010 Law, the Articles and the Prospectus, (ii) to perform administrative and accounting services for the Fund as necessary and (iii) to provide client communication services;
 - domiciliary agent, be primarily responsible for receiving and keeping safely any and all notices, correspondence, telephonic advice or other representations and communications received for the account of the Fund, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Fund; and
 - paying agent be responsible to arrange for the payment of dividend or distributions and redemptions proceeds to Shareholders.

- 3.39 The UCI Administrator is entitled to a fee calculated on the net assets of the Fund and payable on a quarterly basis, as further detailed under Section 15 "Fund Expenses" of the main part of the Prospectus. The fees paid to the UCI Administrator will be shown in the Fund's financial statements.

Investment Managers and Investment Advisors

- 3.40 The Board of Directors is vested with the widest powers to act in any circumstances in the name of the Fund, subject to any powers explicitly granted by law or by the Articles to its General Meeting. The Board of Directors has delegated this duty to the Management Company.
- 3.41 The Board of Director is responsible for the determination of the investment policy pursued by each of its Compartments. The Management Company is responsible for the general management of the Fund.
- 3.42 The Management Company may appoint, at the request and with the consent of the Fund, one or more several investment managers in respect of certain Compartments, as described in the Appendix of the relevant Compartment (the "Investment Managers").

- 3.43 Each Investment Manager will be in charge of the day-to-day management of (all or portion of) the assets of the Compartments for which it has been appointed as investment manager and will deal in the relevant investments on account of the relevant Compartments on a discretionary, subject to and in accordance with instructions received from the Management Company from time to time, and in accordance with each Compartment's investment objective, policy and restrictions.
- 3.44 With the consent of the Fund and the Management Company or, as the case may be, the CSSF, each Investment Manager may delegate its investment management function to third parties in respect of one or more Compartments for which it has been appointed as investment manager, in which case such delegation will be described in the relevant Appendix.
- 3.45 Each Investment Manager may, on its own responsibility, appoint one or more investment advisors for each Compartment for which it has been appointed as investment manager (the "Investment Advisor"). Their mission will be to advise it on investment opportunities and obtain assistance for the Compartments whose assets it manages.
- 3.46 The Investment Managers may be assisted by investment advisers (the "Investment Advisers") as set out in more details in each relevant Appendix. The Investment Advisers will provide the Investment Managers with recommendations, advice and opinions regarding investment choice and selection of securities and any other assets that make up the portfolio of the various Compartments.

Auditors

- 3.47 The auditing has been entrusted to Deloitte Audit, *Société à responsabilité limitée*, whose registered office is at 560, route de Neudorf, L-2220 Luxembourg.

4. RIGHTS OF THE SHAREHOLDERS

Shares

- 4.1 The Shares in each Compartment are issued in registered and dematerialised form, with no par value and fully paid-up. A holder of dematerialised Shares will have its Shares deposited on a securities account in the name of its beneficiary. Fractions of Shares may be issued up to five decimals. Fractional Shares do not confer the right to vote, however do confer the right to participate, in pro rata, to any proceeds upon liquidation and dividend distributions.
- 4.2 No certificates will be issued. All owners of the Shares will have their names entered into the Shareholders' register which will be held at the Fund's registered office. Shares repurchased by the Fund shall be cancelled.
- 4.3 All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Compartment (or the category of Shares respectively) to which they pertain.
- 4.4 Each Share has one vote. Shareholders are also entitled to the general Shareholder rights as described in the Luxembourg law dated 10th August 1915 on commercial companies and its subsequent amendments, with the exception of pre-emption rights to subscribe to new Shares.
- 4.5 Shareholders will only receive confirmation that their names have been recorded in the

Shareholders' register.

- 4.6 The Fund draws the attention of the investors to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Fund if the investor is registered himself/herself/itself on in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund.

Compartments

- 4.7 The Appendix to this Prospectus lists the current Compartments. The Board of Directors may, at any time, decide to create additional Compartments.
- 4.8 The subscription price for Shares in each Compartment is invested in the assets of the relevant Compartment. In principle, all assets and liabilities related to a specific Compartment are allocated to that Compartment. To the extent that costs and expenses are not directly chargeable to a specific Compartment, they shall be shared out proportionally among the various Compartments according to their net asset values or, if circumstances warrant it, allocated on an equal footing to each Compartment. The assets of a specific Compartment will only meet the liabilities, commitments and obligation relating to such Compartment.

Categories of Shares

- 4.9 The Board of Directors may also decide to create for each Compartment two or more categories of Shares whose assets are generally invested in accordance with the specific investment policy of the relevant Compartment, but where categories of Shares may be distinguished by specific commission and/or redemption structures, by specific exchange-risk hedging policies, by specific distribution policies and/or by specific management or advisory commission or by other specific characteristics applying to each category of Shares. Such information is, if necessary, defined in the Appendix to the Prospectus.
- 4.10 Certain categories of Shares in certain Compartments, indicated in the Appendix to the Prospectus, may, on the decision of the Board, be subdivided into several sub-classes with a different reference currency than the Reference Currency of the Compartment. The attention of investors is drawn to the fact that, depending on whether foreign exchange hedging instruments are used in respect of each such category of Shares, an investor may be exposed to the risk that the Net Asset Value of one category of Shares denominated in a given currency may fluctuate in a way that compares unfavourably to that of another category of Shares denominated in another currency. To the extent permitted by the Prospectus, and in relation to sub-classes that are denominated in a currency other than the Reference Currency of a Compartment, the Fund may employ techniques and instruments intended to provide protection, so far as possible, against movements of the currency in which the relevant sub-class is denominated. Any decision to hedge will be systematically applied. All costs and expenses associated with the financial instruments, if any, used for the purpose of hedging foreign exchange risks related to the sub-class concerned will be allocated to that sub-class only.
- 4.11 The Appendix to this Prospectus lists the current categories of Shares.

General Meetings

- 4.12 The annual General Meeting shall be held each year at the Fund's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.
- 4.13 The annual General Meeting shall be held on the fourth Wednesday of March at 11 a.m. or, if this happens to be an official holiday in Luxembourg, on the next Business Day thereafter.
- 4.14 Convening notices shall be sent to all registered Shareholders at least 8 days prior to the annual General Meeting. These notices shall include details of the time and place of this meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.
- 4.15 The convening notice to a General Meeting may provide that the quorum and majority requirements will be assessed against the number of Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting (the "Record Date") in which case, the right of any Shareholder to participate in the meeting will be determined by reference to his/her/its holding as at the Record Date. In case of dematerialised shares (if issued) the right of a holder of such Shares to attend a General Meeting and to exercise the voting rights attached to such Shares will be determined by reference to the Shares held by this holder as at the time and date provided for by Luxembourg laws and regulations.
- 4.16 In accordance with the Articles and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the General Meeting. Any decisions affecting Shareholders in one or several Compartments may be taken by just those Shareholders in the relevant Compartments to the extent that this is permitted by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles shall apply.

5. SUBSCRIPTIONS

- 5.1 The list of Compartments already in operation is included in Appendix 1 to this Prospectus.
- 5.2 Appendix 1 will be updated to take into account the activation or the decision to activate any added Compartment or any added category of Shares.
- 5.3 Subscriptions for Shares in each Compartment already in operation shall be accepted at the issue price, as defined hereunder in Section 7 "Issue price", at the office of the Depositary as well as at any other establishments authorised to do so by the Fund.
- 5.4 At the discretion of the Board of Directors, Shares may be issued against contributions of Transferable Securities or other eligible assets to the Compartments provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in this Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Compartment, as described above, will be valued separately in a special report of the Auditor. These contributions in kind of assets are not subject to brokerage costs. The Board of Directors will only have recourse to this possibility (i) at the request of the relevant investor and (ii) if the transfer does not negatively affect current Shareholders. All costs related to a contribution in kind will be paid for by the Compartment concerned provided that they are lower than the brokerage costs which the Compartment would have paid if the assets concerned had been acquired on the market. If the costs relating to the contribution in kind are higher than the brokerage costs which the Compartment concerned

would have paid if the assets concerned had been acquired on the market, the exceeding portion thereof will be supported by the subscriber.

- 5.5 Unless specifically mentioned under Appendix 1, for any subscription received by the Fund or by the distributor, prior to 4 p.m., on the last Business Day before the following Valuation Day, the Net Asset Value calculated on the said Valuation Day will be applicable.
- 5.6 For any subscription arriving at the Fund or at the distributor after the deadline set at 4 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the next following Valuation Day.
- 5.7 The amount for the subscription shall be paid or transferred, in the reference currency of the relevant Compartment or category/class of Shares, into the account of the Depositary, to the order of the Fund with reference to the Compartment(s) concerned within three Business Days counting from the relevant Valuation Day or any other day as set out in the Appendix 1.
- 5.8 The Fund does not permit practices of Market Timing and reserves the right to reject subscription and conversion orders from an investor who the Fund suspects of using such practices and, if appropriate, to take the necessary measures to protect the other investors of the Fund.
- 5.9 The Fund may also, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Compartments to persons or corporate bodies resident or domiciled in some countries or territories. The Fund may prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Fund. In particular, the Fund is entitled to reject, at its discretion, any application to subscribe to Shares.

6. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS

- 6.1 Measures aimed towards the prevention of money laundering as provided by Luxembourg laws and the circulars as issued by the CSSF are the responsibility of the Fund, that delegates to the UCI Administrator such controls.
- 6.2 These measures may require the UCI Administrator to request verification of the identity of any prospective investor. By way of example, an individual may be required to produce a copy of his/her passport or identification card duly certified by a competent authority (e.g. embassy, consulate, notary, police officer, solicitor, financial institution domiciled in a country imposing equivalent identification requirements or any other competent authority). In the case of corporate applicants, this may require, amongst others, production of a certified copy of the certificate of incorporation (and any change of name) and investor's memorandum and articles of association (or equivalent), a recent list of its shareholders showing a recent stake in its capital, printed on the letterhead of the investor duly dated and signed, an authorised signature list and an excerpt of the trade register. It should be noted that the above list is not exhaustive and that the investors may be required to provide further information to the UCI Administrator in order to ensure the identification of the final beneficial owner of the Shares.
- 6.3 Until satisfactory proof of identity is provided by potential investors or transferees as determined by the UCI Administrator, it reserves the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the UCI Administrator will not be liable for any interest, costs or compensation.

- 6.4 In case of a delay or failure to provide satisfactory proof of identity, the UCI Administrator may take such action as it thinks fit.
- 6.5 These identification requirements may be waived by the UCI Administrator in the following circumstances:
- (a) in the case of a subscription through a financial intermediary which is supervised by a regulatory authority which imposes an investors' or transferees' identification obligation equivalent to that required under Luxembourg laws for the prevention of money laundering and to which the financial intermediary is subject;
 - (b) in the case of a subscription through a financial intermediary whose parent is supervised by a regulatory authority which imposes an investors' or transferees' identification obligation equivalent to that required under Luxembourg laws for the prevention of money laundering and where the law applicable to the parent or the group policy imposes an equivalent on its subsidiaries or branches.

7. ISSUE PRICE

- 7.1 The issue price for Shares in each Compartment is equal to the net asset value of each Share (or each category of Shares, respectively) in that Compartment, calculated on the first Valuation Day following the day of subscription.
- 7.2 Under certain circumstances, the Board of Directors has the power to charge a "dilution levy" on the issue price as described hereafter under Section 10 "Dilution Levy". In any case, the effective dilution levy charged on any Valuation Day shall be identical for all issues effected on such day.
- 7.3 The issue price may be increased by sales commissions, which will be paid to intermediaries and do not exceed 5% of the net asset value of each Share.
- 7.4 The issue price will also be increased to cover any duties, taxes and stamp duties which may have to be paid.

8. REDEMPTIONS

General

- 8.1 Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as further set out in Sections 8.7 to 8.11 headed "Redemption price" below, by addressing an irrevocable application for redemption to the Fund, or other authorised establishments.
- 8.2 For any request for redemption received by the Fund or by a distributor by 4 p.m. at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on that Valuation Day shall be applicable.
- 8.3 Unless specifically mentioned under Appendix 1, for any request for redemption received by the Fund or by a distributor after the deadline of 4 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.
- 8.4 If, because of applications for redemption or conversion, it is necessary on a given Valuation Day to repurchase or convert a certain amount as determined by the Board of Directors in relation to the number of the Shares issued in a particular Compartment, the Board of Directors may decide

that redemptions or conversions have to be postponed to the Valuation Day. On that Valuation Day, applications for redemption or conversion which had been postponed (and not withdrawn) shall be given priority over applications for redemption or conversion received for that particular Valuation Day (and which had not been postponed).

- 8.5 The Fund is entitled to repurchase, at any time, Shares which have been acquired in violation of a measure of exclusion taken by virtue of the Fund.
- 8.6 The price for the Shares presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within three Business Days following the date when the net asset value applicable to the redemption was calculated (see Sections 8.7 to 8.11 on "Redemption price" below) or any day as set out in the Appendix 1.

Redemption price

- 8.7 The redemption price for Shares in each Compartment is equal to the net asset value of each Share (or each category of Shares respectively) in that Compartment as calculated on the first applicable day after the application for redemption has been made.
- 8.8 In addition to this, the price may be reduced by a redemption commission of maximum 3% of the net asset value of each Share to be paid to intermediaries.
- 8.9 Under certain circumstances, the Board of Directors has the power to charge a dilution levy on the redemption price as described hereafter under Section 10 "Dilution Levy". In any case, the effective dilution levy charged on any Valuation Day shall be identical for all redemptions effected on such day.
- 8.10 The redemption price may also be reduced to cover any duties, taxes and stamp duties which might have to be paid.
- 8.11 The redemption price could be higher or lower than the subscription price paid, depending on how the net asset value has changed in the intervening period.

9. CONVERSION

- 9.1 Subject to any potential restriction which may be set out in the Appendix to the Prospectus, any Shareholder may request the conversion of all or part of his/her/its Shares (or categories of Shares, respectively) in one Compartment into Shares of another Compartment, on the basis of the respective Net Asset Values as calculated on the Valuation Day of the Compartments (or category of Shares) concerned plus a conversion commission of maximum 1% of the Net Asset Value of each Share to be paid to intermediaries.
- 9.2 For any conversion requests received by the Fund or by a distributor by 4 p.m. at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on the said Valuation Day will be applicable.
- 9.3 For any conversion requests received by the Fund or a distributor after the deadline of 4 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the next following Valuation Day thereafter.
- 9.4 Under certain circumstances, the Board of Directors has the power to charge a dilution levy on

the conversion price as described hereafter under the Section 10 “Dilution Levy”. In any case, the effective dilution levy charged on any Valuation Day shall be identical for all redemptions effected on such day.

10. DILUTION LEVY

- 10.1 Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders’ interest in the Fund. In order to prevent this effect, called “dilution”, the Board of Directors has the power to charge a dilution levy on the issue, redemption and/or conversion of Shares. If charged, the dilution levy will be paid into the relevant Compartment and will become part of the relevant Compartment.
- 10.2 The dilution levy for each Compartment will be calculated by reference to the costs of dealing in the underlying investments of that Compartment, including any dealing spreads, commission and transfer taxes.
- 10.3 The need to charge a dilution levy will depend on the volume of issues, redemptions or conversions. The Board of Directors may charge a discretionary dilution levy on the issue, redemption and/or conversion of Shares, if in its opinion, the existing Shareholders (for issues) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:
- (a) where a Compartment is in constant decline (large volume of redemption requests);
 - (b) on a Compartment experiencing substantial issues in relation to its size;
 - (c) in the case of “large volumes” of redemptions, subscriptions and /or conversions where “large volumes” refers to net redemptions or subscriptions exceeding 10% of the Compartment's entire assets;
 - (d) in all other cases where the Board of Directors considers the interests of Shareholders require the imposition of a dilution levy.
- 10.4 In any case the dilution levy shall not exceed 2% of the net asset value per Share.

11. CALCULATION OF THE NET ASSET VALUE

- 11.1 The Net Asset Value as well as issue, redemption and conversion prices for Shares are calculated by the UCI Administrator for each Compartment in the Reference Currency used for the Compartment on the basis of the last known prices, at intervals which may vary for each Compartment and are specified in Appendix 1 (the “Valuation Day”).
- 11.2 If the Valuation Day is not a Business Day, the Net Asset Value for that Compartment will be calculated on the next Business Day.
- 11.3 The Net Asset Value of a Share in each Compartment will be calculated by dividing the net assets of that Compartment by the total number of Shares outstanding of that Compartment. The Net Asset Value of a Compartment corresponds to the difference between the total assets and the total liabilities of the Compartment.
- 11.4 If different categories of Shares are issued for a Compartment, the Net Asset Value of each category of Shares in the Compartment concerned will be calculated by dividing the total Net

Asset Value as calculated for the Compartment concerned and attributable to that category of Shares, by the total number of Shares issued for that category of Shares.

- 11.5 The percentage of the total Net Asset Value of the Compartment concerned attributable to each category of Shares, which was initially identical to the percentage of the number of Shares represented by that category of Shares, will change in respect of the distributions carried out in connection with dividend Shares as follows:
- (a) Upon payment of a dividend or any other distribution in respect of dividend Shares, the total net assets attributable to that category of Shares will be reduced by the amount of such distribution (the effect being to reduce the percentage of total net assets of the Compartment concerned attributable to dividend Shares), and the total net assets attributable to capitalisation Shares will remain identical (resulting in an increase in the percentage of the total net assets of the Compartment attributable to capitalisation Shares);
 - (b) Upon the capital increase of the Compartment concerned by the issue of new Shares in one of the -category of Shares, the total net assets attributable to the category of Shares concerned will be increased by the amount received for such issue;
 - (c) Upon the redemption by the Compartment concerned of the Shares in a particular category of Shares, the total net assets attributable to the corresponding category of Shares will be reduced by the price paid for the redemption of such Shares;
 - (d) Upon the conversion of the Shares in one category of Shares into Shares in another category of Shares, the total net assets attributable to that category of Shares will be reduced by the net asset value of the Shares thus converted, the total net assets attributable to the category of Shares concerned being increased by that amount.
- 11.6 The Reference Currency of the Fund is the EUR and corresponds to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Compartment will, unless they are already expressed in EUR, be converted into EUR, and added together.
- 11.7 The assets of the Fund shall be valued as follows:
- (a) Transferable Securities and Money Market Instruments admitted to official listing on an official stock exchange or traded on any Other Regulated Market will be valued at the last available price, unless such a price is not deemed to be representative of their fair market value.
 - (b) Securities not listed on an official stock exchange or not traded on any Regulated Market and securities with an official listing for which the last available price is not representative of a fair market value will be valued, prudently and in good faith, on the basis of their estimated sale prices.
 - (c) Cash and other liquid assets will be valued at their face value with interest accrued;
 - (d) The units/shares of open-ended UCIs will be valued on the basis of the last known net asset value. The units/shares of closed-ended UCIs will be valued on the basis of the last known market value.

- (e) Money Market Instruments not listed on stock exchanges or not traded on any Regulated Market and with remaining maturity of less than 12 months are valued at their nominal value, increased by any interest accrued thereon, if any; the total value being amortised in accordance with the amortised cost method.
 - (f) The prices of futures and options admitted to official listing on an official stock exchange or traded on any other organised market are based on the previous day's closing price on the market in question. The prices used are the settlement prices on the futures markets. Futures and options contracts not admitted to official listing on an official stock exchange or traded on any other organised market will be valued at their liquidating value determined pursuant to the policies established in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts.
 - (g) Swaps shall be priced at their fair value based on the value of the underlying assets (closing or intraday) as well as the characteristics of the underlying commitments.
 - (h) For each Compartment, securities whose value is expressed in a currency other than the reference currency of that Compartment will be converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial centre which is most representative for those securities.
- 11.8 The Board of Directors is entitled to adopt any other appropriate principles for valuing the Fund's assets in the event that extraordinary circumstances make it impracticable or inappropriate to determine the values according to the criteria specified above.
- 11.9 In cases when applications for subscription or redemption are sizeable, the Board of Directors may assess the value of the Share on the basis of rates during the trading session on the stock exchanges or markets during which it was able to buy or sell the necessary securities for the Fund. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.
- 12. SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICES**
- 12.1 The calculation of the Net Asset Value or the issue, redemption and conversion prices of Shares in one or more Compartments may be suspended in the following circumstances:
- (a) When one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the Fund's assets, or when one or more foreign exchange markets in the currency in which the net asset value of Shares is expressed or in which a substantial portion of the Fund's assets is held, are closed other than for ordinary holidays or if dealings therein are suspended, restricted or subject to major short-term fluctuations.
 - (b) When, as a result of political, economic, military, monetary or social events, strikes or other circumstances outside the responsibility and control of the Fund, the disposal of the Fund's assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests.
 - (c) In the case of a breakdown in the normal means of communication used to calculate the value of an asset in the Fund or when, for whatever reason, the value of an asset in the Fund cannot be calculated as rapidly and as accurately as required.

- (d) If, as a result of exchange controls or other restrictions on the movement of capital, transactions for the Fund are rendered impracticable or if purchases or sales of the Fund's assets cannot be made at normal rates of exchange.
- (e) In the case of suspension, of the calculation of the net asset value of one or several of the target UCIs in which the Fund has invested a substantial portion of its assets.
- (f) On the occurrence of any event entailing the liquidation of the Fund or one of its Compartments.

12.2 In such cases of suspension, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Compartments affected by the suspensions shall be notified.

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

13. NET ASSET VALUE ADJUSTMENT ("SWING PRICING")

Reasons for swing pricing mechanism, impact on, and benefit for, Shareholders

13.1 A Compartment may suffer dilution of the Net Asset Value per Share due to prospective Shareholders subscribing, or existing Shareholders redeeming, Shares in a Compartment at a price that does not reflect the dealing, spreads and other costs that arise from the transactions undertaken by the Fund to accommodate cash inflows or outflows. These costs may have an adverse effect on the value of a Compartment (referred to as dilution) and therefore on Shareholders. In order to mitigate the impact of the costs of these transactions, the Management Company may adjust the Net Asset Value per Share upwards or downwards by a percentage estimated to reflect the actual prices and costs of the underlying transactions.

13.2 For the avoidance of doubt, the adjustment mechanism is applied on the capital activity at the level of the relevant Compartment and does not address the specific circumstances of each individual transaction.

Swing Pricing mechanism details

Application threshold

13.3 If on any Valuation Day, the aggregate net transactions in Shares of a Compartment (ie. aggregate net subscriptions or redemptions) exceed a threshold which is pre-determined and periodically reviewed by the Management Company for each Compartment (known as the "swing threshold"), the Net Asset Value per Share may be adjusted upwards or downwards to reflect respectively net inflows or net outflows.

Underlying swing factors

13.4 The extent of the price adjustment is set by the Management Company to reflect dealing and other costs and may vary from Compartment to Compartment. In particular, the Net Asset Value per Share of the relevant Compartment will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the

Compartment and (iii) the estimated bid/offer spread of the assets in which the Compartment invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows.

Maximum swing factor

- 13.5 Adjustments will however be limited to a maximum of 2% of the then applicable Net Asset Value (the "Swing Factor").

Categories of Shares

- 13.6 The Net Asset Value of each category of Shares in a Compartment will be calculated separately but any dilution adjustment will in percentage terms affect the Net Asset Value of each category in an identical manner.

No impact on performance fee

- 13.7 Any performance fee will be calculated on the basis of an unadjusted Net Asset Value.

14. INCOME DISTRIBUTION

- 14.1 The Board of Directors reserves the right to introduce a distribution policy which may vary according to Compartments and categories of Shares issued (capitalisation and distribution Shares).

- 14.2 Each distribution policy will be defined in the Appendices.

- 14.3 For those Compartments that do not comprise categories of Shares, the income will be capitalised on the understanding however that the Board of Directors reserves the right to introduce an income distribution policy. In such cases, dividends may be payable following a decision of the Board of Directors within 6 months after the close of the Business Year.

- 14.4 In addition to the above dividends, the Fund may choose to pay interim dividends.

- 14.5 No distribution may be effected if as a result thereof the net assets of the Fund were to fall below EUR1,250,000 (being provided that Shares of a Target Compartment held by an Investing Compartment will not be taken into account for the purpose of the calculation of the EUR1,250,000 minimum capital requirement).

- 14.6 Dividends and allotments not collected within five years of their due date will lapse and revert to the Compartment.

15. FUND EXPENSES

Advisory fee and Management fee

- 15.1 Each Investment Adviser and/or Investment Manager is entitled to an advisory or management fee, payable on a quarterly basis at an annual rate which could vary according to the Compartments. The applicable rate for each Compartment is determined in Appendix 1 to the Prospectus. This commission is levied on each Compartment at a pro rata rate of its average net assets as determined during the relevant quarter concerned.

- 15.2 The Investment Adviser and/or Investment Manager may use part of the advisory or management fee received by the Fund to remunerate distributors and selling agents.

Performance fee

- 15.3 In respect of certain Compartments, the Investment Manager and/or Investment Adviser may also be entitled to receive a performance fee, as may be specified in the relevant Appendix.

Other expenses

- 15.4 Other costs charged to the Fund include:

- (a) All taxes and duties which might be due on the Fund's assets or income earned by the Fund, in particular the subscription tax (0.05% per annum) charged on the Fund's net assets.
- (b) Brokerage fees and charges on transactions involving securities in portfolio.
- (c) Remuneration of the Depositary, its correspondents, the UCI Administrator and the Management Company which shall not, in aggregate, exceed a maximum of 1.6% p.a. (exclusive of any applicable VAT) on the total average net assets of the Fund and which shall be paid on a quarterly basis.
- (d) Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.
- (e) The cost of preparing, printing and filing of administrative documents, prospectuses and explanatory memoranda with all authorities, the rights payable for the registration and maintenance of the Fund with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents required by law or regulations, the cost of accounting and calculating the net asset value, the cost of preparing, distributing and publishing notifications to Shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.
- (f) All advertising expenses and other expenditure other than that specified above related directly to the offering and distribution of Shares in foreign countries.

- 15.5 The fees associated with the creation of a new Compartment will be, in principle, exclusively borne by this new Compartment. Nevertheless the Board of Directors may decide, in circumstances where it would appear to be more fair to the Compartments concerned, that the initial setting up costs of the Fund, not yet amortised at the time of the new Compartment is launched, will be equally borne by all existing Compartments including the new Compartment. The Board of Directors may also decide that the costs associated with the opening of new Compartments be borne by the existing Compartments.

- 15.6 All recurring expenditure shall be charged first to the Fund's income, then to realised capital gains, then to the Fund's assets. Other expenditure may be amortised over a period not exceeding five years.

- 15.7 Charges involved in the calculation of the Net Asset Values of the various Compartments shall be spread between the Compartments in proportion to their net assets, except in cases where

charges specifically involve one Compartment, in which case they will be charged to that Compartment.

- 15.8 Please refer to the Sections 5, 8, 9 and 10 relating to “Subscriptions”, “Redemptions”, “Conversions” and “Dilution levy” for further details as to the specific fees and expenses borne by Shareholders.

16. RISK CONSIDERATIONS

The Fund bears the general risks laid down below. However, each Compartment is subject to specific risks, which the Board of Directors will seek to lower, as listed in the relevant Appendix.

Equity Securities

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

High-yield securities

- 16.2 A Compartment may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (and the Compartment is not required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face on-going uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Investment in UCIs

- 16.3 Investment in UCIs may embed a duplication of the fees and expenses which will be charged to the Fund, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, depositary bank fees and other service providers' fees. The accumulation of these costs may cause higher costs and expenses that would have been charged to the Fund if the latter had invested directly. The Fund will however seek to avoid any irrational multiplication of costs and expenses to be borne by Shareholders.

- 16.4 Also, the Fund must ensure that its portfolios of target UCIs present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to satisfy redemption requests favourably at the exact time they are submitted. Any absence of liquidity may impact in the liquidity of the Shares and the value of its investments.

Investment in warrants

- 16.5 Investors should be aware of and prepared to accept the greater volatility in the prices of warrants which may result in greater volatility in the price of the Shares. Thus, the nature of the warrants will involve Shareholders in a greater degree of risk than is the case with conventional securities.

Stock market volatility

- 16.6 The Net Asset Value of the Fund will reflect the volatility of the stock market. Stock markets are volatile and can move significantly in response to the issuer, demand and supply, political, regulatory, market and economic developments.

Issuer-specific risk

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

Interest rate risks

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

Market risk

- 16.9 Although it is intended that the portfolio of the Fund will be diversified, the investments of the Fund are subject to normal market fluctuations and to the risks inherent in investment in equities, fixed income securities, currency instruments, derivatives and other similar instruments. The prices of the Shares can go down as well as up and investors may not be able to realise their investment objective. Although the Board of Directors will attempt to restrict the exposure of the Fund to market movements, there is no guarantee that this strategy will be successful.

Investment in derivative instruments

- 16.10 The use of futures, options and forward contracts exposes the Fund to additional investment risks. Financial futures prices are highly volatile and influenced by a variety of diverse factors including, i.a., changing supply and demand relationships, government, fiscal, monetary and exchange control programs and policies, national and international political and economic events and government intervention in certain markets, particularly in the currency and interest rate markets.
- 16.11 The trading of options, including options on futures contracts and OTC options, is speculative and highly leveraged. Specific market movements of futures contracts or securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing

the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contracts or security underlying the option which the writer must purchase or deliver upon exercise of the option. Options traded OTC are not regulated.

- 16.12 Futures are also subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached.

Specific risk relating to the use of TRS

- 16.13 Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If a Compartment engages in OTC Derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Fund and any of its Compartments enters into TRS on a net basis, the two payment streams are netted out, with each Compartment receiving or paying, as the case may be, only the net amount of the two payments. TRS entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRS is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's or relevant Compartment's risk of loss consists of the net amount of total return payments that the Fund or Compartment is contractually entitled to receive.

Synthetic leverage

- 16.14 A Compartment's portfolio may be leveraged by using financial derivative instruments (including OTC Derivatives) i.e. as a result of its transactions in the futures, options and swaps markets. A low margin deposit is required in futures trading and the low cost of carrying cash positions permit a degree of leverage, which may result in exaggerated profits or losses to an investor. A relatively small price movement in a futures position or the underlying instrument may result in substantial losses to the Compartment resulting in a similar decline to the Net Asset Value per Share. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract or security underlying the option which the writer must purchase or deliver upon exercise of the option. Contracts for differences and swaps may also be used to provide synthetic short exposure to a transferable security.

Foreign exchange/currency risk

- 16.15 Although Shares may be denominated in a particular currency, the Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk.
- 16.16 It may not be possible or practicable to hedge against the consequent foreign exchange/currency

risk exposure.

Political and/or regulatory risks

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

Cyber security risk

- 16.18 As part of their respective businesses, the Management Company and each of the Investment Managers process, store and transit large amounts of electronic information, including information relating to the transactions of the Fund, and personally identifiable information on Shareholders. Service providers, such as the UCI Administrator, may also process, store and transmit such information. Each of the Management Company and the Investment Managers have procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measure cannot provide absolute security. The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third-parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third-parties to the Management Company and/or the Investment Managers may be susceptible to compromise, leading to a breach of the Management Company's and/or any Investment Manager's network. The systems or facilities of each of the Management Company and the Investment Managers may also be susceptible to compromise. Breaches of the information systems of the Management Company and/or the Investment Manager may cause information relating to transactions of the Fund and personally identifiable information to the Shareholders to be lost or improperly accessed, used or disclosed.
- 16.19 Any service providers of the Fund, the Management Company and any Investment Manager are subject to the same electronic information security threats as the Management Company and the Investment Managers. If a service provider fails to adapt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.
- 16.20 The loss or improper access, use or disclosure of the proprietary information of the Fund, the Management Company or any Investment Manager may cause each of the foregoing to suffer inter alia financial losses, the disruption of their respective business, liability to third parties, regulatory intervention or reputational damage. Such event may have a material adverse effect on the Management Company, the Fund and/or the Investment Managers and the Compartments they manage.

Talent risk and human errors

- 16.21 The success of each of the Compartment's respective investment strategies depends among others on the Management Company and the Investment Managers and, in particular, on their

human resources. It cannot be avoided that qualified employees leave the Management Company or any of the Investment Managers, which may result in lengthy searches to attract capable talents to replace the respective employees and their specific knowledge in among others the accurate calculation of price relationships, the maintenance of algorithms and the communication of precise trading instructions. Furthermore, such instructions depend on humans and there can be no guarantee that humans do not make mistakes. Human errors in the design and the implementation of the systems of the Management Company and/or the Investment Managers (including in respect of algorithms used by Investment Managers) may result in mistakes in this process and lead to trading losses.

- 16.22 The use of algorithms by certain Investment Managers in certain Compartments as sources for strategic decision-making may result in errors or vulnerabilities which can result in losses and may put an Investment Manager at a competitive disadvantage.

Risk of programming and modelling errors when using algorithms

- 16.23 The research and modelling process engaged in by the Investment Manager may be extremely complex and involve financial, economic, econometric and statistical theories, research and modelling; the results of that process must then be translated into computer code. Although Investment Managers seek to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform “real world” testing of the end product raises the chances that the finished model may contain an error; one or more of such errors could adversely affect a Compartment’s performance and, depending on the circumstances, would generally not constitute a trade error under that Compartment’s policies.

Trading methods

- 16.24 The trading methods employed by certain Investment Manager on behalf of a Compartment may be proprietary to the Investment Manager of the Compartment or a third party. Therefore, subject to disclosure and transparency requirements under applicable laws and regulations, Shareholders will not be able to determine details of such trading methods or whether they are being followed.

Regulatory risk

- 16.25 There can be no guarantee that the Compartments will continue to be able to operate in its present manner and future regulatory changes may adversely affect the performance of the Compartments and/or their ability to deliver their investment objectives. Furthermore, in respect of Compartments making use of algorithms, depending on their calibration, such algorithms may take decisions that breach applicable laws (in particular in case of changes in applicable restrictions not reflected or not reflected in time in the algorithms), circumvent existing rules and regulations or take decisions which may result in regulatory and legal actions.

Settlement risk

- 16.26 The trading and settlement practices on some of the recognised exchanges on which the Fund may invest may not be the same as those in more developed markets. That may increase settlement risk and/or result in delays in realising investments made by the Fund.

Custody risk

- 16.27 Local custody services in some of the market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

Taxation

- 16.28 Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. Further details relating to the Luxembourg tax legislation are given under Section 17 "Tax status". However, nothing in this Prospectus may be construed any tax advice and investors should consult their own professional advisers regarding any tax issues in the context of any contemplated investment in the Fund.

Counterparty risk

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

Risk arising from investments in emerging markets

- 16.30 Payment suspensions and default in developing countries are due to various factors, such as political instability, bad financial management, a lack of currency reserves, capital leaving the country, internal conflicts or the lack of the political will to continue servicing the previously contracted debt.
- 16.31 The ability of issuers in the private sector to face their obligations may also be affected by these same factors. Furthermore, these issuers suffer the effect of decrees, laws and regulations introduced by the government authorities. These may be the modification of exchange controls and amendments to the legal and regulatory system, expropriations and nationalisations and the introduction of, or increase in, taxes, such as deduction at source.
- 16.32 Uncertainty due to an unclear legal environment or to the inability to establish firm ownership rights constitute other decisive factors. Added to this are the lack of reliable sources of information in these countries, the non-compliance of accounting methods with international standards and the lack of financial or commercial controls.
- 16.33 In particular, investors' attention is drawn to the fact that, at present, investments in Russia are subject to increased risk as regards the ownership and custody of Transferable Securities: market practice for the custody of bonds is such that these bonds are deposited with Russian institutions that do not always have adequate insurance to cover risk of loss arising from the theft, destruction or disappearance of instruments held in custody.

Investment in Contingent Convertible Bonds

- 16.34 Certain Compartments may invest in Contingent Convertible Bonds. Under the terms of a Contingent Convertible Bond, certain triggering events, including events under the control of the management of the Contingent Convertible Bond's issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "nonviable", i.e., a

determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the Contingent Convertibles Bonds into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. The attention of investors investing in Compartments that are allowed to invest in Contingent Convertibles Bonds is drawn to the following risks linked to an investment in this type of instruments.

Conversion risk

- 16.35 Investment in Contingent Convertible Bonds may result in material losses based on certain trigger events. The existence of these trigger events creates a different type of risk from traditional bonds and may more likely result in a partial or total loss of value or alternatively they may be converted into shares of the issuing company which may also have suffered a loss in value.

Coupon cancellation

- 16.36 For Additional Tier 1 (AT1) Contingent Convertible Bonds, coupons may be cancelled in a going concern situation. Coupon payments on such Contingent Convertible Bonds are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 Contingent Convertible Bonds does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of these Contingent Convertible Bonds and may lead to mispricing of risk.

Capital structure inversion risk

- 16.37 Contrary to classic capital hierarchy, holders of Contingent Convertible Bonds may suffer a loss of capital when equity holders do not. In certain scenarios, holders of Contingent Convertible Bonds will suffer losses ahead of equity holders. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

Call extension risk

- 16.38 Most Contingent Convertible Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual Contingent Convertible Bonds will be called on call date. Perpetual Contingent Convertible Bonds are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

Unknown risk

The structure of Contingent Convertible Bonds is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic? In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore in an illiquid market, price formation may be increasingly stressed.

Sector concentration risk

- 16.39 Contingent Convertible Bonds are issued by banking/insurance institutions. If a Compartment invests significantly in Contingent Convertible Bonds its performance will depend to a greater extent on the overall condition of the financial services industry than a Compartment following a more diversified strategy.

Liquidity risk

- 16.40 In certain circumstances finding a ready buyer for Contingent Convertible Bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

Investment in Distressed and Defaulted Securities

- 16.41 Investment in a security issued by a company that is either in default ("Defaulted Securities") or in high risk of default ("Distressed Securities") involves significant risk. Distressed Securities have a credit rating between maximum CC and minimum C (as measured by Standard and Poor) or equivalent (as measured by any leading credit agencies or with quality considered as equivalent by the Investment Manager) and Defaulted Securities have a maximum credit rating of D (as measured by Standard and Poor) or equivalent (as measured by any leading credit agencies or with quality considered as equivalent by the Investment Manager). Such investments will only be made when the relevant Investment Manager believes it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In addition, a significant period of time may pass between the time at which the investment in Distressed Securities and Defaulted Securities is made and the time that any such exchange offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the Distressed Securities and Defaulted Securities will be received, there will be significant uncertainty as to whether or not the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Compartment's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation. In addition, as a result of participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of Distressed Securities and Defaulted Securities, the investing Compartment may be precluded from disposing of such securities. Furthermore, constraints on investment decisions and actions with respect to Distressed Securities and Defaulted Securities due to tax considerations may affect the return realised on the Distressed Securities and Defaulted Securities.

Investments in Sukuks and Convertible Sukuks

- 16.42 Sukuks, like all fixed income securities, are exposed to a number of risks such as counterparty or credit risks. Price changes in Sukuk are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Sukuk could suffer when capital market interest rates rise, while they could increase in value when capital market interest rate fall. The price changes also depend on the term or residual time to maturity of the Sukuk. In general, Sukuk with shorter terms have less price risks than Sukuk with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs.

- 16.43 Investments in Sukuks issued by governments or government related entities from countries referred as emerging or frontier markets bear additional risks linked to the specifics of such countries (e.g. currency fluctuations, political and economic uncertainties, repatriation restrictions, etc).
- 16.44 Convertible Sukuks are generally subject to the risks associated with debt securities, such as credit risk, liquidity risk and interest rate risk. Convertible Sukuks are also subject to the risk of being reclassified as Sharia'h non-compliant. Such reclassification may affect the price and liquidity of the Convertible Sukuks.

EPM Techniques and SFTs

- 16.45 To the extent, this is allowed under the relevant Appendix, a Compartment may enter into Repurchase Transaction agreements and reverse Repurchase Transaction agreements as a buyer or as a seller subject to the conditions and limits set out in Section 24.10(b) of the main body of the Prospectus. If the other party to a Repurchase Transaction agreement or reverse Repurchase Transaction agreement should default, the Compartment might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Compartment in connection with the Repurchase Transaction agreement or reverse Repurchase Transaction agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the Repurchase Transaction agreement or reverse Repurchase Transaction agreement or its failure otherwise to perform its obligations on the repurchase date, the Compartment could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the Repurchase Transaction agreement or reverse Repurchase Transaction agreement.
- 16.46 To the extent, this is allowed under the relevant Appendix, Compartment may enter into Securities Lending transactions subject to the conditions and limits set out in Section 24.10(a) of the main body of the Prospectus. If the other party to a Securities Lending transaction should default, the Compartment might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Compartment in connection with the Securities Lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the Securities Lending transaction or its failure to return the securities as agreed, the Compartment could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the Securities Lending agreement.
- 16.47 To the extent, such use is allowed under the relevant Appendix, the Compartments will only use Repurchase Transaction agreements, reverse Repurchase Transaction agreements or Securities Lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Compartment. When using such techniques, the Compartments will comply at all times with the provisions set out in Section 24 of the main body of the Prospectus. The risks arising from the use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks.
- 16.48 A Compartment may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such

investments would reduce the amount of collateral available to be returned by the Compartment to the counterparty as required by the terms of the transaction. The Compartment would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Compartment.

- 16.49 Securities Lending, Repurchase Transaction or reverse Repurchase Transaction also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.
- 16.50 The Fund may enter into Securities Lending, Repurchase Transaction or reverse Repurchase Transaction with other companies. Affiliated counterparties, if any, will perform their obligations under any Securities Lending, Repurchase Transaction or reverse Repurchase Transaction concluded with the Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Compartment and its Shareholders. However, Shareholders should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.
- 16.51 The use of EPM Techniques, in particular with respect to the quality of the collateral received and/or reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the Compartment concerned.
- 16.52 The use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions is generally not expected to have a material adverse impact on a Compartment's performance or risk profile, subject to the above described risk factors.
- 16.53 Investors should note that parties affiliated to the group of the Management Company or the Investment Managers may act, *inter alia* without being exhaustive, as a counterparty of OTC Derivatives, agent or service provider in the context of EPM Techniques and SFTs, UCI Administrator and Depositary. As a result, not only will investors be exposed to the credit risk of the relevant group but also operational risks arising from any potential lack of independence of the Management Company or the Investment Managers.
- 16.54 The operational risks arising from any such potential lack of independence are in part reduced by the fact that different legal entities or different divisions of a single legal entity within the Management Company's group or the Investment Managers' group, respectively, will be involved and will in most cases be subject to specific conflicts of interest monitoring, disclosure and management requirements. The possibility of conflicts of interest arising can however not be fully eliminated, but where there is a potential conflict of interests between the interests of the Fund and its Shareholders and the interests of the group to which the Management Company or the Investment Managers, as appropriate, belong, each of such persons has undertaken or will be requested by the Fund to undertake, manage monitor and disclose any such conflicts of interest to prevent negative effects on the Fund and its Shareholders.

Investments in China

Country and market risk

- 16.55 Investing in the People's Republic of China (**PRC**) is subject to the risks of investing in emerging

markets – outlined above – and additional risks which are specific to the PRC market. The economy of China is in a state of transition from a planned economy to a more market oriented economy and investments may be sensitive to changes in law and regulation together with political, social or economic policy which includes possible government intervention. In extreme circumstances, a Compartment investing in the PRC may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to local investment restrictions, illiquidity of the PRC domestic securities market, and/or delay or disruption in execution and settlement of trades. Any Compartment investing directly (or indirectly through a UCITS and other UCIs) in China may be adversely affected by such losses.

- 16.56 China is one of the world's largest emerging markets. As with investing in any emerging market country, investments in China may be subject to greater risk of loss than investments made in a developed market. This is due, among other things, to greater market volatility, lower trading volume, greater risk of market shut down, and more governmental limitations with respect to foreign-inward investment. The companies in which a Compartment invests may be held to lower disclosure, corporate governance, accounting and reporting standards than companies listed or traded in more developed markets. In addition, some of the securities held by a Compartment may be subject to higher transaction and other costs, foreign ownership limits, the imposition of taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may increase the volatility and hence the risk of an investment in a Compartment investing in China.

Legal risk

- 16.57 The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, because of the limited volume of published cases and judicial interpretation and their non-binding nature, the interpretation and enforcement of these regulations involves significant uncertainties. Given the short history of the PRC system of commercial laws, the PRC regulatory and legal framework may not be as well developed as those of developed countries. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the relevant Compartment's onshore business operations. The PRC government heavily regulates the domestic exchange of foreign currencies within the PRC. PRC law requires that all domestic securities transactions must be settled in renminbi (the **RMB**) (other than trading of B shares which are not available for foreign investors under the Stock Connect as defined below), places significant restrictions on the remittance of foreign currency, and strictly regulates currency exchange from RMB.

Stock connect

- 16.58 The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (together, the **Stock Connect**) is a securities trading and clearing linked programme developed by the Hong Kong Exchanges and Clearing Limited (the **HKEx**), the Shanghai Stock Exchange (**SSE**), the Shenzhen Stock Exchange (**SZSE**) and the China Securities Depository and Clearing Co., Ltd. (**CSDCC**), with an aim to achieve mutual stock market access between the PRC and Hong Kong.

- 16.59 Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a northbound trading link (the **Northbound Trading Link**) for investment in PRC shares and a southbound trading link (the **Southbound Trading Link**) for investment in Hong Kong shares. Under the Northbound Trading Link, Hong Kong and overseas investors (including the relevant Compartment), through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited (**SEHK**) are able to trade eligible shares listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC securities firms and a securities trading service company established by the SSE, are able to trade eligible shares listed on the SEHK by routing orders to the SEHK.

Eligible securities

- 16.60 Initially, Hong Kong and overseas investors are only able to trade certain stocks listed on the SSE market (the **SSE Securities**) and the SZSE market (the **SZSE Securities**). It is expected that the list of eligible securities will be subject to review.

Trading day

- 16.61 Investors (including the relevant Compartment) will only be allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

- 16.62 Trading under the Stock Connect will be subject to a daily quota (the **Daily Quota**), which will be separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades by all investors (including the relevant Compartment) under the Stock Connect each day. The quotas are utilised on a first-come-first-serve basis. The SEHK will monitor the quota and publish the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx's website. The Daily Quota may change in the future. The Investment Manager and/or the Management Company will not notify investors in case of a change of quota.

Settlement and custody

- 16.63 The Hong Kong Securities Clearing Company Limited (**HKSCC**) is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. SSE Securities or SZSE Securities acquired by an investor through Northbound Trading is maintained with such investor's broker's or custodian's stock account with the Central Clearing and Settlement System (**CCASS**) operated by HKSCC.

Currency

- 16.64 Hong Kong and overseas investors (including a Compartment) will trade and settle SSE Securities and SZSE Securities in RMB only.

Trading fees

- 16.65 In addition to paying trading fees and stamp duties in connection with China A-share trading, a

Compartment may be subject to other fees and taxes concerned with income arising from stock transfers which are determined by the relevant authorities.

Coverage of Investor Compensation Fund

- 16.66 A Compartment's investments through Northbound trading under Stock Connect is not covered by Hong Kong's Investor Compensation Fund (the **Hong Kong's Investor Compensation Fund**). Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default in Northbound trading via Stock Connect do not involve products listed or traded in the SEHK or the Hong Kong Futures Exchanges Limited, such trading is not covered by Hong Kong's Investor Compensation Fund. Furthermore, since a Compartment is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, such trading is not protected by the China Securities Investor Protection Fund in the PRC.

Foreign shareholding restrictions

- 16.67 Pursuant to relevant rules and regulations, foreign investors holding China A-shares (including through the Stock Connect) are subject to the following shareholding restrictions:
- (a) the shareholding of any single foreign investor in an A-share listed company must not exceed 10% of such company's total issued shares; and
 - (b) the aggregate shareholding in the A shares of all foreign investors in an A-share listed company must not exceed 30% of such company's total issued shares.
- 16.68 When aggregate foreign shareholding in the A shares of an individual A-share listed company exceeds the 30% threshold, the foreign investors concerned will be requested to sell the relevant China A-shares on a last-in-first-out basis within 5 trading days. If the 30% threshold is exceeded due to trading via Stock Connect, the SEHK will identify the exchange participant(s) concerned and require a force-sell. As a result, it is possible that a Compartment may be required to unwind its positions where it has invested in a China A-share listed company in respect of which the aggregate foreign shareholding threshold has been exceeded.
- 16.69 The SSE, SZSE and the SEHK (as the case may be) will issue warnings as the aggregate foreign shareholding of an SSE Security or SZSE Security approaches 30%. Northbound Trading buy orders will be suspended once the aggregate foreign shareholding reaches 28% and will resume when it drops back to 26%. Northbound Trading sell orders will not be affected.
- 16.70 Further information about the Stock Connect is available at the website: http://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

Stock Connect risk

- 16.71 A Compartment's investments through the Stock Connect may be subject to the following risks:
- 16.72 In the event that a Compartment's ability to invest in China A-shares through the Stock Connect on a timely basis is adversely affected, the Compartment's ability to achieve its investment objective may be affected.

Quota limitations

- 16.73 The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Compartment's ability to invest in China A-shares through the Stock Connect may be affected.

Front-end monitoring risk

- 16.74 PRC regulations require that in order for an investor to sell any China A-share on a certain trading day, there must be sufficient China A-shares in the investor's account with the SEHK Participant who acts as the selling broker before market opens on that day. If there are insufficient China A-shares in the investor's account with the SEHK Participant who acts as the selling broker, the sell order will be rejected by the SSE or the SZSE. The SEHK carries out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. stock brokers) to ensure that this requirement is satisfied. This means that investors must transfer SSE Securities and SZSE Securities to the accounts of its brokers before the market opens on the day of selling. If an investor fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the relevant trading day. Because of this requirement, investors may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner. This also raises concerns as to counterparty risks as securities may need to be kept by brokers overnight.
- 16.75 To facilitate investors whose SSE Securities or SZSE Securities are maintained with custodians to sell their SSE Securities or SZSE Securities without having to pre-deliver the SSE Securities or SZSE Securities from their custodians to their executing brokers, the HKEx introduced an enhanced pre-trade checking model in March 2015, under which an investor may request its custodian to open a Special Segregated Account (**SPSA**) in CCASS to maintain its holdings in SSE Securities and SZSE Securities. Such investors only need to transfer SSE Securities or SZSE Securities from its SPSA to its designated broker's account after execution and not before placing the sell order. If a Compartment is unable to utilise this model, it would have to deliver SSE Securities or SZSE Securities to brokers before the trading day and the above risks may still apply.

Legal and beneficial ownership risk

- 16.76 The SSE Securities and the SZSE Securities in respect of a Compartment will be held by the Depositary (or its delegate) in accounts in CCASS maintained by the HKSCC as central securities depositary in Hong Kong. The HKSCC in turn holds the SSE Securities and the SZSE Securities, as the nominee holder, through an omnibus securities account in its name registered with the CSDCC. The precise nature and rights of a Compartment as the beneficial owner of the SSE Securities and the SZSE Securities through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, legal ownership and beneficial ownership under PRC law and there have been few cases involving a nominee account structure in the PRC courts. The exact nature and methods of enforcement of the rights and interests of a Compartment under PRC law is also uncertain.
- 16.77 In the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong there is a risk that the SSE Securities and the SZSE Securities may not be regarded as held for the beneficial ownership of a Compartment or as part of the general assets of HKSCC available for general distribution to its creditors.

Nominee arrangements

- 16.78 HKSCC is the nominee holder of the SSE Securities and SZSE Securities acquired by Hong Kong and overseas investors through Stock Connect.
- 16.79 The China Securities Regulatory Commission Stock Connect rules expressly provide that investors enjoy the rights and benefits of the securities acquired through Stock Connect in accordance with applicable laws. Such rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules (for example, in liquidation proceedings of PRC companies).
- 16.80 It should be noted that, under the CCASS Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceedings to enforce any rights on behalf of the investors in respect of the SSE Securities and SZSE Securities in the PRC or elsewhere. Therefore, although a Compartment's ownership may be ultimately recognised, the Compartment may suffer difficulties or delays in enforcing its rights in SSE Securities or SZSE Securities.

Suspension risk

- 16.81 Each of the SEHK, the SSE and the SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading is effected, a Compartment's ability to access the China A-share market through the Stock Connect will be adversely affected.

Differences in trading day

- 16.82 The Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as a Compartment) cannot carry out any China A-shares trading. Due to the differences in trading days, a Compartment may be subject to a risk of price fluctuations in China A-shares on a day that the PRC stock markets are open for trading but the Hong Kong stock market is closed.

Operational risk

- 16.83 The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly. The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.
- 16.84 Market participants generally have configured and adapted their operational and technical systems for the purpose of trading China A-shares through the Stock Connect. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the programme to operate, market participants may need to address issues arising from the differences on an on-going basis.
- 16.85 Further, the "connectivity" in the Stock Connect requires routing of orders across the border.

SEHK has set up an order routing system to capture, consolidate and route the cross boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted.

Recalling of eligible stocks

- 16.86 If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect a Compartment's ability to invest in China A-shares through the Stock Connect.

Broker risk

- 16.87 Where a Compartment relies on only one broker to invest via Stock Connect and for any reason, the Investment Manager is unable to use the relevant broker, the operation and its ability to invest would be adversely affected. A Compartment may also incur losses due to the acts or omissions of any of the broker(s) in the execution or settlement of any transaction via Stock Connect.

Clearing and settlement risk

- 16.88 The HKSCC and CSDCC establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, a Compartment may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

Regulatory risk

- 16.89 The Stock Connect is evolving, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished.

Risks of investing in China A-shares

- 16.90 The securities markets in the PRC, including the A-share markets, are still in a stage of development, and may be characterised by higher liquidity risk than markets in more developed countries, which may in turn result in higher transaction costs and price volatility. In addition, the PRC's securities markets are undergoing a period of growth and change, which lead to uncertainties and potentially result in difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. The PRC's regulatory authorities have

only recently been given the power and duty to prohibit fraudulent and unfair market practices relating to securities markets, such as insider trading and market abuse, and to regulate substantial acquisitions of shares and takeovers of companies. All of these factors may lead to a higher level of volatility and instability associated with the PRC securities markets relative to more developed markets.

- 16.91 The liquidity and price volatility associated with China A-share markets are subject to greater risks of government intervention (for example, to suspend trading in particular stocks) and imposition of trading band restrictions for all or certain stocks from time to time. In addition, China A-shares traded in the PRC are still subject to trading band limits that restrict maximum gain or loss in stock prices, which means the prices of stocks may not necessarily reflect their underlying value. Such factors may affect the performance of, or cause disruption to the liquidity of the relevant Compartment.

Risks related to using ESG criteria for investments

- 16.92 Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and therefore some market opportunities available to funds that do not use ESG or sustainability criteria may be unavailable for the Compartment, and such Compartment's performance may at times be better or worse than the performance of comparable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on a proprietary ESG scoring process or ban lists that rely partially on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by the Investment Manager when setting ESG objectives and determining that these objectives have been met by the funds they manage. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may, to a certain extent, be subjective or based on metrics that may share the same name but have different underlying meanings. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the Investment Manager's methodology. The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

SFDR

- 16.93 SFDR is not a fund labelling regime, and accordingly, no reliance should be placed on the Compartment being given any particular classification under SFDR. Investors should also be aware that the SFDR classification process is inherently uncertain at present, as SFDR has only come into force relatively recently and it is not yet clear how all aspects of the regime should be interpreted. The Fund may therefore wish to reconsider the classification of a Compartment from time to time; e.g. to reflect views in the market on SFDR (which are continuing to evolve), new regulatory guidance, amendments to SFDR made over time, or a decision by a court clarifying its interpretation. Investors and other third parties should therefore take this into account when considering a Compartment for investment. It is reminded that a decision whether to invest in a Compartment should be based on the legal documentation of the Fund (including, but not limited to the relevant Appendix of the Compartments and their SFDR RTS annexes, where relevant) in its entirety and not only on the sustainability-related disclosures made under SFDR.

Indemnification rights in case of NAV calculation errors, breaches of investment restrictions or other errors for Investors subscribing through financial intermediaries

- 16.94 Shareholders must note that if subscriptions are received or made via a financial intermediary, i.e. where the investors are not registered themselves and in their own name in the register of the Fund, their rights may be affected in relation to indemnification payments for NAV calculation errors, breaches of investment restrictions or other errors occurring at the level of the Fund. For instance, transactions may be aggregated through financial intermediaries, therefore the Fund may not be in a position to trace back through the intermediary chain the individual payments due and ensure that the payment of indemnifications take into account each investor's individual situation.
- 16.95 Shareholders are therefore advised to contact the relevant financial intermediary through which they have subscribed for Shares of the Fund to receive with information on the arrangements in place with the Fund regarding the indemnification process in the event of a NAV calculation error, a breach of investment restriction or another type of error.

17. TAX STATUS

The Fund is subject to Luxembourg tax legislation.

The Fund

- 17.1 In accordance with current Luxembourg law, the Fund is not subject to any tax on income, capital gains tax or wealth tax. Moreover, no dividends distributed by the Fund are subject to withholding tax.
- 17.2 However, income collected by the Fund on securities in its portfolios may be subject to withholding tax which, in normal circumstances, cannot be reclaimed.
- 17.3 The Fund's net assets are subject to a subscription tax of 0.05% per annum (except for certain Compartments or categories of Shares specifically reserved for to Institutional Investors, which benefit from the reduced rate of 0.01% per annum), payable at the end of each quarter and calculated on the basis of the total net assets at the end of the relevant quarter.

Shareholders

- 17.4 According to legislation and current practice in Luxembourg, Shareholders, other than those domiciled, residing or permanently established in Luxembourg and certain former residents of Luxembourg holding more than 10% of the Fund's share capital, are not liable to pay any Luxembourg tax on income, capital gains, donations or legacies. However, it is incumbent upon any purchasers of Shares in the Fund to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.

18. EXCHANGE OF INFORMATION FOR TAX PURPOSES

- 18.1 The Fund may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 21 June 2005 implementing the Council

Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg legislation implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the “Common Reporting Standard”), each as amended from time to time (each an “AEOI Law” and collectively the “AEOI Laws”). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

- 18.2 Each Shareholder and prospective investor agrees to provide, upon request by the Fund (or its delegates), any such information, documents and certificates as may be required for the purposes of the Fund’s identification and reporting obligations under any AEOI Law. The Fund reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Fund (or its delegates) has reason to believe that the information, documents or certificates provided to the Fund (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Fund (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Fund nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Fund (or its delegates). Any Shareholder failing to comply with the Fund’s information requests may be charged with any taxes and penalties imposed on the Fund attributable to such Shareholder’s failure to provide complete and accurate information.
- 18.3 Each Shareholder and prospective investor acknowledges and agrees that the Fund will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

19. BUSINESS YEAR

The Business Year runs from January 1st to December 31st of each year.

20. PERIODICAL REPORTS AND PUBLICATIONS

- 20.1 The Fund will publish an audited annual report within 4 months after the end of the Business Year and an un audited semi-annual report within 2 months after the end of the period to which it refers.
- 20.2 The reports include accounts of the Fund and of each Compartment.
- 20.3 All these reports will be made available to the Shareholders at the registered office of the Fund, the Depositary, the distributor and other establishments appointed by the Depositary.
- 20.4 The Net Asset Value per Share of each Compartment as well as the issue and redemption prices

will be made to the public at the offices of the Depositary and the distributor.

20.5 Any amendments to the Articles will be published in the Luxembourg Official Gazette.

21. LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS

The Fund

- 21.1 The Fund has been established for an indefinite period, but the Board of Directors may, at any time, propose the dissolution of the Fund to an extraordinary General Meeting.
- 21.2 If the capital of the Fund falls below two thirds of the minimum capital required by the law, the Board of Directors must submit the question of the dissolution of the Fund to a General Meeting for which no quorum shall be required and which shall decide by a simple majority of the Shares represented at this meeting.
- 21.3 If the capital of the Fund falls below one fourth of the minimum capital, the Directors must submit the question of the dissolution of the Fund to a General Meeting for which no quorum shall be required; dissolution may be resolved by a simple majority of the Shareholders holding one fourth of the Shares represented at this meeting.
- 21.4 The liquidation of the Fund shall be carried out in accordance with the provisions of the 2010 Law which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in the connection provides for deposit in escrow at the *Caisse des Consignations* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds shall be distributed to the Shareholders in proportion to their respective holdings.

Merger of the Fund and the Compartments

- 21.5 In accordance with the provisions of the 2010 Law and of the Articles, the Board of Directors may decide to merge or consolidate the Fund with, or transfer substantially all or part of the Fund's assets to, or acquire substantially all the assets of, another UCITS established in Luxembourg or another EU Member State. For the purpose of this Section 21.5, the term UCITS also refers to a compartment of a UCITS and the term Fund also refers to a Compartment.
- 21.6 Any merger leading to termination of the Fund must be approved by a Shareholders meeting subject to the quorum and the majority requirement applying to the modification of the Articles. For the avoidance of doubt, this provision does not apply in respect of a merger leading to the termination of a Compartment.
- 21.7 Shareholders will receive shares of the surviving UCITS or compartment and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares.
- 21.8 The Fund will provide appropriate and accurate information on the proposed merger to its Shareholders so as to enable them to make an informed judgment of the impact of the merger on their investment and to exercise their rights under this Section 21 and the 2010 Law.
- 21.9 The Shareholders have the right to request, without any charge other than those retained by the Fund to meet disinvestment costs, the redemption of their Shares.

- 21.10 The Board of Directors may decide to allocate the assets of a Compartment to those of another existing Compartment within the Fund or to another Luxembourg UCITS or to another compartment within such other Luxembourg UCITS (the “New Compartment”) and to repatriate the Shares of the category of Shares or categories of Shares concerned as Shares of another category of Shares (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in Section 21.8 above one month before its effectiveness (and, in addition, the publication will contain information in relation to the New Compartment), in order to enable the Shareholders to request redemption of their Shares, free of charge, during such period.
- 21.11 Notwithstanding the powers conferred to the Board of Directors by Section 21.10 above, a contribution of the assets and of the liabilities attributable to any Compartment to another Compartment within the Fund may in any other circumstances be decided by a general meeting of Shareholders of the category of Shares or categories of Shares issued in the Compartment concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.
- 21.12 If the interest of the Shareholders of the relevant Compartment or in the event that a change in the economic or political situation relating to a Compartment so justifies, the Board of Directors may proceed to the reorganisation of a Compartment by means of a division into two or more Compartments. Information concerning the New Compartment(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

Liquidation of Compartments

- 21.13 The Board of Directors may also propose to dissolve a Compartment at a General Meeting of that Compartment. The proceedings at this General Meeting shall be subject to quorum requirements in conformity with the Articles and the decision to dissolve the Compartment shall be taken by the majority of the Shares in that Compartment represented at this meeting.
- 21.14 If the net assets of a Compartment fall below the equivalent of EUR2,000,000 the decision to liquidate that Compartment may be taken by the Board of Directors if the latter considers that such liquidation would serve the best interests of the Shareholders. If the Compartment to be liquidated was the last Compartment in operation, the liquidation of this Compartment would be subject to the regulations about liquidation of the Fund.
- 21.15 If a Compartment is dissolved, the liquidation process shall be conducted in conformity with the provisions of the 2010 Law. This legislation stipulates the procedures to be followed to enable Shareholders to share in the proceeds of the liquidation and, in this respect, specifies that any amount not distributed to Shareholders once the dissolution process has been completed shall be first kept at the depositary bank for a period of six months; should the proceeds not be claimed during this period, they will be then surrendered to the *Caisse des Consignations* in Luxembourg. The net proceeds of the liquidation for each Compartment shall be distributed to the Shareholders of that particular Compartment in proportion to the number of Shares held in the relevant Compartment.

22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are deposited and kept available for inspection at the Fund's registered office:

- the Articles;
- the latest annual and semi-annual reports of the Fund;
- the KIDs;
- the Depositary Agreement;
- the Management Company Services Agreement;
- each Investment Management Agreement;
- each Investment Advisory Agreement.

23. INVESTMENT RESTRICTIONS

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

23.2 The investment restrictions imposed by Luxembourg law must be complied with by each Compartment.

Investments in eligible assets

23.3 Investments in the Fund shall comprise exclusively:

- (a) Transferable Securities and Money Market Instruments listed or dealt on a Regulated Market; and /or
- (b) Transferable Securities and Money Market Instruments dealt on an Other Regulated Market in an EU Member State; and /or
- (c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt on an Other Regulated Market in an Other State; and/or
- (d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, an official stock exchanges in an Other State or on an Other Regulated Market referred to above under Sections 23.3(a) to 23.3(c) of the main part of the Prospectus and that such a listing will be obtained within one year of the date of issue;
- (e) units/shares of UCITS and/or other UCIs, whether situated in an EU Member State or not, provided that:

- (i) such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (at the time of the present Prospectus, the EU law and/or OCDE Member States as well as Hong Kong, Jersey, Guernsey and Liechtenstein);
 - (ii) the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
 - (iii) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
 - (iv) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units/shares of other UCITS or other UCIs; and/or
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in an Other State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or
- (g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market, stock exchange in an Other State or on an Other Regulated Market referred to under Sections 23.3(a) to 23.3(c) of the main part of the Prospectus above, and/or OTC Derivatives, provided that:
- (i) the underlying consists of instruments covered by this Section 23.3, financial indices, interest rates, foreign exchange rates or currencies, in which the Compartments may invest according to their respective investment objective;
 - (ii) the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
 - (iii) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative; and/or
- (h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- (i) issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which

one or more Member States belong, or

- (ii) issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Market referred to Sections 23.3(a) to 23.3(c) of the main part of the Prospectus above, or
 - (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or
 - (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (i) In addition, the Fund may invest a maximum of 10% of the net assets of any Compartment in Transferable Securities and Money Market Instruments other than those referred to under Section 23.3 above.

23.4 However, each Compartment may:

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

Risk diversification

23.5 Each Compartment may not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.

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

- 23.7 Furthermore, where any Compartment holds investments in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net asset value of such Compartment, the total value of all such investments must not account for more than 40% of the net asset value of such Compartment. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- 23.8 The counterparty risk of a Compartment arising from OTC Derivative transactions and EPM Techniques may not exceed 10% of its net assets when the counterparty is a credit institution referred to in Section 23.3(f) above or 5% in any other case.
- 23.9 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in Sections 23.5, 23.7, 23.8, 23.13 to 23.15, 23.17 and 23.19 of the main part of the Prospectus. When the Compartment invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in Sections 23.5, 23.7, 23.8, 23.13 to 23.15, 23.17 and 23.19 of the main part of the Prospectus.
- 23.10 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of Sections 23.11 and 23.12 below as well as with the risk exposure and information requirements laid down in this Prospectus.
- 23.11 The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.
- 23.12 The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.
- 23.13 Notwithstanding the individual limits laid down in Sections 23.5, 23.7 and 23.8 above, a Compartment may not combine:
- (a) investments in Transferable Securities or Money Market Instruments issued by,
 - (b) deposits made with, and/or
 - (c) exposures arising from OTC Derivative transactions undertaken with,
- a single body in excess of 20% of its net assets.
- 23.14 The limit of 10% laid down in Section 23.5 above shall be 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State, its local authorities or by any Other State or by public international bodies of which one or more EU Member States are members.
- 23.15 The limit of 10% set forth under Section 23.5 above is increased up to 25% in respect of qualifying debt securities which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for qualifying debt securities issued before 8 July 2022 by a credit institution which has its registered office in an EU Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities that were issued before 8 July 2022 the proceeds of which are invested

in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Compartment invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Compartment.

- 23.16 The securities and Money Market Instruments specified under Sections 23.14 and 23.15 above shall not be included in the calculation of the limit of 40% under Section 23.7.
- 23.17 The limits set out in Sections 23.5, 23.7, 23.8, 23.13 to 23.15 above may not be aggregated and, accordingly, the value of investments in Transferable Securities and Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with Sections 23.5, 23.7, 23.8, 23.13 to 23.15 above may not, in any event, exceed a total of 35% of each Compartment's net asset value.
- 23.18 Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in Sections 23.5 to 23.19 of the main part of the Prospectus.
- 23.19 A Compartment may cumulatively invest up to 20% of its net assets in Transferable Securities and Money Market Instruments within the same group.
- 23.20 Subject to having due regard to the principle of risk spreading, a Compartment need not comply with the limits set out in articles 43 to 46 of the 2010 Law for a period of 6 months following the date of its authorisation and launch.

Exceptions which can be made

- 23.21 Where any Compartment has invested in accordance with the principle of risk spreading in Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, by its local authorities or by any OECD Member State, by certain non-OECD Member States (currently Brazil, Indonesia, Russia, Singapore, Hong-Kong and South-Africa), or by public international bodies of which one or more EU Member States are members, the Fund may invest 100% of the net assets of any Compartment in such Transferable Securities and Money Market Instruments provided that such Compartment must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net assets of the Compartment.
- 23.22 Without prejudice to the limits set forth hereafter under Section 23.33 below, the limits set forth in Sections 23.6 to 23.19 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Compartment's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, on the following basis:
 - (a) the composition of the index is sufficiently diversified,
 - (b) the index represents an adequate benchmark for the market to which it refers,
 - (c) it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

Investment in UCITS and/or other UCIs

- 23.23 Each Compartment may acquire units of the UCITS and/or other UCIs referred to in Section 23.3(e) above, provided that no more than 20% of a Compartment's net assets are invested in the units of a single UCITS or other UCI.
- 23.24 For the purpose of the application of investment limits, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
- 23.25 Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Compartment.
- 23.26 When a Compartment invests in the units of other UCITS and/or other UCIs linked to the Fund by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the relevant Investment Manager, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.
- 23.27 In respect of a Compartment's investments in UCITS and other UCIs linked to the Fund as described in the preceding Section, the total management fee (excluding any performance fee, if any) charged to such Compartment and each of the UCITS or other UCIs concerned shall not exceed 2.5% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Compartment and to the UCITS and other UCIs in which such Compartment has invested during the relevant period.
- 23.28 The Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS and/or UCI concerned, all Compartments combined.
- 23.29 The underlying investments held by the UCITS or other UCIs in which the Compartments invest do not have to be considered for the purpose of the investment restrictions set forth under Sections 23.6 to 23.19 above.
- 23.30 The investment limits laid down above may be exceeded whenever subscription rights attaching to securities which form part of the Fund's assets are being exercised.
- 23.31 If such limits are exceeded as a result of exercising subscription rights or for reasons beyond the Fund's control, the Fund shall endeavour as a priority aim to redress the balance, while taking due account of the interests of the Shareholders.

Investments between Compartments

- 23.32 A Compartment (the "Investing Compartment") may invest in one or more other Compartments.

Any acquisition of shares of another Compartment (the “Target Compartment”) by the Investing Compartment is subject to the following conditions:

- (a) the Target Compartment may not invest in the Investing Compartment;
- (b) the Target Compartment may not invest more than 10% of its net assets in UCITS (including other Compartments) or other UCIs referred to in Section 23.3(e) above;
- (c) the voting rights attached to the shares of the Target Compartment are suspended during the investment by the Investing Compartment; and
- (d) the value of the share of the Target Compartment held by the Investing Compartment are not taken into account for the purpose of assessing the compliance with the EUR1,250,000 minimum capital requirement.

Prohibited investments

23.33 The Fund is prohibited from:

- (a) borrowing for the account of any Compartment, unless:
 - (i) the loan is only temporary and does not exceed 10% of the net assets of the Compartment in question;
 - (ii) the borrowing is in the form of a back-to back loan.
- (b) acquiring shares carrying voting rights which would enable the Fund to exercise significant influence over the management of the issuing body;
- (c) acquiring more than:
 - (i) 10% of the non-voting shares of the same issuer;
 - (ii) 10% of the debt securities of the same issuer,
 - (iii) 10% of the Money Market Instruments of the same issuer.

However, the limits laid down in the second and third incidents above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of instruments in issue cannot be calculated.

The limits set out in sub-paragraphs (b) and (c) of Section 23.33 above shall not apply to:

- (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- (ii) Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members; or

- (iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Compartment's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in articles 43, 46 and 48(1) and (2) of the 2010 Law.
- (d) making investments in precious metals or certificates representing these
- (e) entering into transactions involving commodities or commodity contracts, except that the Fund may employ techniques and instruments relating to Transferable Securities within the limits set out in Section 24 below;

purchasing or selling real estate or any option, right or interest therein, provided the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein;
- (f) carrying out uncovered sales of Transferable Securities, other financial instruments or Money Market Instruments referred to in Sections 23.3(e), 23.3(g) and 23.3(h) above;
- (g) mortgaging, pledging, hypothecating or otherwise encumbering as security for indebtedness any securities held for the account of any Compartment, except as may be necessary in connection with the borrowings mentioned in sub-paragraph (a) of Section 23.33 above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net assets of each Compartment. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose;
- (h) underwriting or sub-underwriting securities of other issuers.

24. INVESTMENTS IN FINANCIAL DERIVATIVE INSTRUMENTS AND USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

General

- 24.1 Unless otherwise set out in the relevant Compartment's Appendix, the Compartments will not make use of SFTs and TRS. If a Compartment makes use of SFTs and/or TRS, in addition to the disclosures included under Sections 24.1 to 24.13 of the main part of the Prospectus, the relevant Appendix will include additional disclosures in line with the SFTR and the CSSF SFTR FAQ, including, among others, the maximum and expected proportion of assets that may be subject to SFTs or TRS, as well as the types of assets that are subject to TRS or SFTs and the identity of the appointed SFT Agents.
- 24.2 Without prejudice to Section 24.1 and to the extent the Fund and any of its Compartment employs EPM Techniques, provided that such EPM Techniques are used for the purposes of efficient portfolio management within the meaning of, and under the conditions set out in, applicable laws, regulations and circulars issued by the CSSF from time to time.
- 24.3 If a Compartment employs EPM Techniques, such use is subject to the following conditions:

- (a) they are economically appropriate in that they are realised in a co-effective way;
- (b) they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of cost;
 - (iii) generation of additional capital or income for the relevant Compartment with a level of risk which is consistent with its risk profile and applicable risk diversification rules;
- (c) their risks are adequately captured by the Fund's risk management process; and
- (d) they are taken into account by the Management Company when developing its liquidity risk management process in order to ensure that the Fund is able to comply at any time with its redemption obligations.

- 24.4 The Fund and any of its Compartments may in particular enter into swap contracts relating to any financial instruments or indices, including TRS, provided such use of TRS is expressly set out in the relevant Compartment's Appendix. TRS involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRS or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.
- 24.5 The risk exposure to a counterparty resulting from EPM Techniques (including SFTs) and OTC Derivatives (including TRS) must be combined when calculating counterparty risk limits referred to under Section 23.8 above.
- 24.6 Assets subject to SFTs and TRS will be safe-kept by the Depositary.
- 24.7 The Fund's semi-annual and annual reports will further contain additional information on the use of SFTs and TRS in line with Section A of the Annex of the SFTR.
- 24.8 Except as otherwise set out in the relevant Compartment's Appendix, any revenues from EPM Techniques not received directly by the relevant Compartment will be returned to that Compartment, net of direct and indirect operational costs and fees (which do not include hidden revenue (i.e., revenues that do not correspond to costs and fees of services rendered to that Compartment)). Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid will be available in the annual report of the Fund. To the extent a Compartment engages in Securities Lending, the Management Company or Investment Manager may appoint an SFT Agent, which may receive a fee in relation to its Securities Lending activities. Any operational costs arising from such Securities Lending activities shall be borne by the SFT Agent out of its fee. SFT Agents or counterparties to the OTC Derivatives (including TRS) may be affiliates of the Management Company or an Investment Manager.

Eligible counterparties

- 24.9 Where a Compartment makes use of SFTs and/or TRS, the counterparties to SFTs and/or TRS will

be selected and approved through a robust selection process and will be establishments located in OECD Member States and have a minimum rating of BBB- or the equivalent by any leading rating agencies. The Management Company's risk management team will assess the creditworthiness of the proposed counterparties, their expertise in the relevant transaction, the costs of service and others factors related to best execution in line with the Management Company's best execution policy.

Securities Lending and Repurchase Transactions

24.10 If a Compartments uses EPM Techniques in accordance with Section 24.3 of the main body of the Prospectus above, such EPM Techniques will include one or more SFTs disclosed in the relevant Appendix and that are subject to the conditions set out below:

- (a) When entering into a Securities Lending agreement, the Fund will ensure that it is able at any time to recall any security that has been lent out or terminate the Securities Lending agreement.
- (b) When entering into a reverse Repurchase Transaction agreement, the Fund will ensure that it is able at any time to recall:
 - (i) the full amount of cash or to terminate the reverse Repurchase Transaction on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse Repurchase Transaction will be used for the calculation of the net asset value of the relevant Compartment; and/or
 - (ii) any securities subject to the Repurchase Transaction agreement or to terminate the Repurchase Transaction agreement into which it has entered.
- (c) Fixed-term Repurchase Transaction and reverse Repurchase Transaction agreements that do not exceed seven days will be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

24.11 To the extent a Compartment uses EPM Techniques, the Management Company takes into account these EPM Techniques when developing its liquidity risk management process in order to ensure that the Fund is able to comply at any time with its redemption obligations.

Management of collateral and collateral policy for OTC Derivatives transactions and EPM Techniques

24.12 In the context of OTC Derivatives transactions (including TRS) and EPM Techniques (including SFTs), the Fund may receive collateral with a view to reduce its counterparty risk. This Section sets out the collateral policy applied by the Fund in such case. All assets received by the Fund in the context of EPM Techniques (Securities Lending, Repurchase or reverse Repurchase Transactions) shall be considered as collateral for the purposes of this Section.

24.13 The risks linked to the use of SFT and TRS as well as risks linked to the collateral management, such as operational, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in Section 16 of the main body of the Prospectus.

Eligible collateral

24.14 Collateral received by the Fund or a Compartment may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Fund's or Compartment's net assets to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Compartment may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, provided the Compartment receives securities from at least six different issues and any single issue does not account for more than 30% of the Compartment's NAV. Accordingly a Compartment may be fully collateralised in securities issued or guaranteed by an eligible OECD Member State.
- (e) It should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

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

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

24.16 Notwithstanding the previous Section, in line with the CSSF Circular 14/592, which transposed

the Guidelines issued by the European Securities and Market Authority (ESMA) “ESMA/2014/937”, at the date of the Prospectus, collateral will be only received in:

- (a) Cash and Cash Equivalents, including short-term bank certificates and Money Market Instruments.
- (b) Bonds issued or guaranteed by an OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope.
- (c) To the extent that this policy should be reviewed by the Investment managers, the Prospectus will be amended accordingly.

24.17 Collateral posted in favour of a Compartment under a title transfer arrangement should be held by the Depositary or one of its delegates or sub-delegates. Collateral posted in favour of a Compartment under a security interest arrangement (eg, a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Level of collateral required

24.18 The level of collateral required across all EPM Techniques or OTC Derivatives will be at least 100% of the exposure to the relevant counterparty. This will be achieved by applying the haircut policy set out under Sections 24.19 to 24.25 below.

Haircut policy

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

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

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

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

	20 to 30 years	8%
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24.22 Non-cash collateral received by the Fund may not be sold, re-invested or pledged.

24.23 Cash collateral received by the Fund can only be:

- (a) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (b) invested in highly rated government bonds;
- (c) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
- (d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European money market funds.

24.24 Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral under Section 24.14 above.

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

25. RISK MANAGEMENT PROCESS

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

26. CONFLICTS OF INTEREST

The Directors, the Management Company, the distributors, the Investment Managers, the Investment Advisers, the Depositary and the UCI Administrator may, in the course of their business, have potential conflicts of interests with the Fund. Each of the Directors, the Management Company, the distributor(s), the Investment Managers, the Investment Advisers, the Depositary and the UCI Administrator will have regard to their respective duties to the Fund and other persons when undertaking any transactions where potential or actual conflicts of interest may arise. In the event that such conflicts do arise, each of such persons has undertaken or will be requested by the Fund to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Fund and the Shareholders are fairly treated.

Interested dealings

The Directors, the Management Company, the distributors, the Investment Managers, the Investment Advisers, the Depositary and the UCI Administrator and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees or delegates (together the “Interested Parties” and, each, an “Interested Party”) may:

- (a) contract or enter into any financial, banking or other transaction with one another or with the Fund including, without limitation, investment by the Fund, in securities in any company or body any of whose investments or obligations form part of the assets of the Fund or any Compartment, or be interested in any such contracts or transactions;
- (b) invest in and deal with shares, securities, assets or any property of the kind included in the property of the Fund for their respective individual accounts or for the account of a third party;
- (c) act as counterparty to the derivative transactions or contracts entered on behalf of the Fund or act as index sponsor or calculation agent in respect of underlyings to which the Fund will be exposed via derivative transactions;
- (d) act as agent or service provider in the context of EPM Techniques/SFTs (including SFT Agents); and
- (e) deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Fund through, or with, the Investment Managers or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.

Any assets of the Fund in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activity).

There will be no obligation on the part of any Interested Party to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party.

Any such transactions involving Interested Parties must be carried out as if effected on normal commercial terms negotiated at arm's length.

As at the date of this Prospectus, the Management Company has not identified any material conflicts of interest involving SFT Agents.

Notwithstanding anything to the contrary herein and unless otherwise provided for in the relevant Compartment's Appendix for such Compartment, the Management Company, the relevant Investment Manager and/or relevant Investment Adviser and their respective affiliates may actively engage in transactions on behalf of other investment funds and accounts which involve the same securities and instruments in which the Compartment will invest. The Management Company, the Investment Managers or the Investment Advisers and their respective affiliates may provide investment management/advisory services to other investment funds and accounts that have investment objectives similar or dissimilar to those of the Compartments and/or which may or may not follow investment programs similar to the Compartments, and in which the Compartments will have no interest. The portfolio strategies of

the Management Company, the Investment Managers or the Investment Advisers and their respective affiliates used for other investment funds or accounts could conflict with the transactions and strategies advised by the Management Company, the Investment Managers or the Investment Advisers in managing a Compartment and affect the prices and availability of the securities and instruments in which such Compartment invests.

The Management Company, the Investment Managers or the Investment Advisers and their respective affiliates may give advice or take action with respect to any of their other clients which may differ from the advice given or the timing or nature of any action taken with respect to investments of a Compartment. The Management Company, the Investment Managers or the Investment Advisers have no obligation to advise any investment opportunities to a Compartment which they may advise to other clients.

The Management Company, the Investment Managers or the Investment Advisers will devote as much of their time to the activities of a Compartment as they deem necessary and appropriate. The Management Company, the Investment Managers or the Investment Advisers and their respective affiliates are not restricted from forming additional investment funds, from entering into other investment advisory/management relationships, or from engaging in other business activities, even though such activities may be in competition with a Compartment. These activities will not qualify as creating a conflict of interest.

Additional considerations relating to conflicts of interest may be applicable, as the case may be, for a specific Compartment as further laid down in the relevant Compartment's Appendix.

6. PROTEA FUND – ORCADIA GSB

Investors' profile

- 6.1 The compartment Protea Fund – GSB (the “Compartment”) is a medium risk vehicle aiming to provide capital growth. The acronym “GSB” stands for “Global Selection Balanced”. It may be suitable for investors who are seeking long term growth potential offered through an exposure to the equities markets and bonds markets. Hence it requires an investment horizon of at least 7 years.
- 6.2 There can be no guarantee that the Compartment’s objective will be achieved.
- 6.3 The Compartment is actively managed. The Compartment has no benchmark index and is not managed in reference to a benchmark index.

Objectives and investment policy

- 6.4 The Compartment’s objective is to provide capital growth by offering mainly an exposure to the following asset classes: debt securities of any type (including Money Market Instruments), equities and equity related securities (such as subscription rights, closed-ended REITs, global depositary receipts).
- 6.5 The Compartment promotes among other characteristics, environmental or social characteristics or a combination thereof, within the meaning of article 8 of SFDR but does not have a sustainable investment objective. The investee companies in which the Compartment invests will follow good governance practices based on such policies which are further detailed in Annex 1 of this Compartment’s appendix (the “Annex”).
- 6.6 The Investment Manager uses a variety of sustainability indicators to attain the promotion of the environmental and social characteristics. For more details about the ESG methodology and restrictions, please refer to the pre-contractual disclosure included in the Annex.
- 6.7 The Compartment will have a focus on countries, companies and organisations which contribute to sustainable development, covering the ESG criteria. Meaning that under normal market conditions, ESG investments will represent at least 50% of the Compartment’s portfolio (assets excluding cash and Cash Equivalents).
- 6.8 Regarding direct investments in corporate debt securities or equities and equity related securities, the Investment Manager should mainly invest in issuers which are part of the MSCI Selection universe.
- 6.9 As of the date of this Prospectus, MSCI Limited, the administrator of the MSCI Selection index is on the list of administrators held with ESMA in accordance with article 36 of the Benchmark Regulation.
- 6.10 In order to achieve its objective, the Compartment will mainly invest:
 - (a) directly in the securities/asset classes mentioned in Section 6.4; and/or
 - (b) in UCIs (UCITS and/or other UCIs referred to in Section 23.3(e) of the main body of the Prospectus), having as main objective to invest or grant an exposure to the above-mentioned securities/asset classes.

- 6.11 The proportion of assets devoted to each asset class varies over time. However, without being a constraint, the Investment Manager intends to have an exposure (via direct and in indirect investments):
- (a) of maximum of 65% of the Compartment's net assets to the equity asset class; and
 - (b) between 20% and 65% of the Compartment's net assets to the debt securities asset class.
- 6.12 The choice of investments will neither be limited by geographical area (except emerging markets limited to 20% of the Compartment's net assets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 6.13 On an ancillary basis, the Compartment may invest in UCIs with other underlying than those above-mentioned and structured products (as described below).
- 6.14 The Compartment may invest in structured products with or without embedded derivatives in accordance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, such as, but not limited to, credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, equities, bonds, an index (including indices on volatility, commodities, precious metals, etc.) selected in accordance with the article 9 of the Grand-Ducal Regulation, currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI, at all times in compliance with the Grand-Ducal Regulation.
- 6.15 In compliance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.
- 6.16 The Compartment may also invest up to 10% of its net assets in Contingent Convertible Bonds.
- 6.17 The Compartment will not invest directly into ABS and/or MBS. However, up to 10% of the net assets of the Compartment may be invested in UCIs having as main objective to invest in ABS and MBS.
- 6.18 For hedging and for investment purposes, within the limits set out in Section 23 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.
- 6.19 Nevertheless, in normal market conditions, the Investment Manager intends to use listed options and futures offering an exposure to equities or debt securities and currency derivatives (such as forward foreign exchange contracts).
- 6.20 It is understood that:
- (a) As the investment policy can be achieved via UCIs, the Compartment can at any time invest more than 50% of its net assets in UCIs (UCITS and or other UCIs referred to in Section 23.3(e) of the main body of the Prospectus). It may result in duplication of certain

costs. In addition to the costs borne by the Compartment as part of its daily management, management fees will be indirectly levied via the target UCIs that it holds. The total investment management fees may not exceed 5%; the performance and advisory fees are covered by the term "investment management fees".

- (b) The Compartment can be exposed to investment grade and non-investment grade debt securities, without any particular restriction. However, the Compartment will not invest directly in distressed or defaulted securities. It is understood that, in the event of a downgrade of the credit ratings of a security or an issuer to distressed or defaulted, the Compartment may, at the discretion of the Investment Manager, and in the best interests of the Shareholders, continue to hold those debt securities which have been downgraded, provided that in any case the Compartment's maximum exposure to distressed or defaulted securities will be limited to a maximum of 5% of its net assets.

6.21 The Compartment will not use SFTs nor TRS.

6.22 **In accordance SFDR RTS, further information related to environmental and/or social characteristics is available in the Annex.**

SFDR

6.23 The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision making processes. The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process. If one or more Sustainability Risks crystallise, there may be a negative impact on the value of the Compartment, and therefore returns to investors and performance of the Compartment. However, the Compartment has a diligent approach in place to seek to mitigate the impact of Sustainability Risk on its returns, including (among other things) by integrating the consideration of such risks into its investment decision-making process, and through monitoring and management where relevant, in each case, as described herein and in the Annex.

Taxonomy Regulation

6.24 In the context of the Taxonomy Regulation, in view of its ESG strategy, the Compartment promotes environmental characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation.

Risk considerations specific to the Compartment

6.25 The assets of the Compartment are subject to market fluctuations and the risks inherent to any investment in bonds and equities. Please refer to the Section 16 headed "Risk considerations" above for further details in this connection.

Global risk exposure

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

assets.

Performance

- 6.27 The performance scenarios of the Compartment will be disclosed in the KIDs of the Compartment. In this connection, investors should note that past performance is not necessarily a guide to future performance. Investors may not get back the full amount invested, as prices of Shares and the income from them may fall as well as rise.

Income distribution policy

- 6.28 No dividend shall be paid out to Shareholders of Class A Acc, Class B Acc, Class C Acc, Class D Acc and Class O Acc. However, the Directors reserve their right to revise this policy at their discretion.
- 6.29 Dividends will be paid to Shareholders of Class A Dis, Class B Dis, Class C Dis, Class D Dis and Class O Dis after the annual General Meeting, at the latest within 6 months after the close of the Business Year. However, the Directors reserve their right to revise this policy at their discretion.

Categories of Shares

6.30

	A		B		C		D		O	
Name of the Category of Shares	Class A Dis	Class A Acc	Class B Dis	Class B Acc	Class C Dis	Class C Acc	Class D Dis	Class D Acc	Class O Dis	Class O Acc
Distribution policy	DIS ²	ACC ³	DIS	ACC	DIS	ACC	DIS	ACC	DIS	ACC
Initial Subscription Price	EUR100		EUR100		EUR100		EUR100		EUR100	
Subscription fees, redemption fees and conversion fees	N/A		N/A		N/A		N/A		N/A	
Eligible investors	Investors that are under a management or advisory mandate with the Investment Manager*								Other investors	
Minimum total amount under a mandate with the Investment Manager *	N/A		EUR1mio		EUR2.5mio		EUR20mio		N/A	

* Members of one and the same family will be considered as one Shareholder for the purpose of

² "DIS" is an acronym for "distribution".

³ "ACC" is an acronym for "accumulation".

calculating the minimum total amounts under a mandate with the Investment Manager. Shareholders who are invested in a fund managed or advised by the Investment Manager will be considered as being under a mandate with the Investment Manager.

- 6.31 In respect of categories of Shares B, C and D, in case where, a Shareholder were to reach or exceed the relevant minimum total amount under a mandate with the Investment Manager applicable to a particular category of Shares with a lower level of management fee to that applicable to the Shares held by the relevant Shareholder, this Shareholder may request the conversion free of charge of its Shares into Shares of such other category of Shares. These conversion requests may be addressed once a year and must be received by the UCI Administrator by the cut-off applicable in respect of the last Pricing Day of the financial year.
- 6.32 In respect of Categories B, C and D, in case where, a Shareholder were to fall below the relevant minimum total amount under a mandate with the Investment Manager applicable to the category of Shares held by the relevant Shareholder, the Investment Manager will inform this Shareholder 30 Business Days prior to the end of the relevant financial year that its Shares will, unless he/she/it reaches again the relevant threshold before the end of the relevant financial year, be converted free of charge into Shares of the category of Shares corresponding to the relevant minimum total amount under a mandate with the Investment Manager on the last Pricing Day of the financial year.

Reference Currency of the Compartment

- 6.33 The Reference Currency is the EUR.

Management of the Compartment

- 6.34 In relation to investment opportunities for the Compartment, the Management Company has appointed Orcadia Asset Management S.A. whose registered office is at 13, rue de l'Industrie, L -8399 Windhof, Grand Duchy of Luxembourg, as investment manager, under the term of an Investment Management Agreement.

Frequency of calculation of NAV

- 6.35 Each Business Day is a Pricing Day. The Net Asset Value of the Compartment shall be calculated one Business Day following the Pricing Day (the "Calculation Day").

Cut-off times

- 6.36 For any subscription, redemption or conversion request received by the Fund, prior to 1 p.m. Luxembourg time, on the Pricing Day, the Net Asset Value calculated based on the Calculation Day will be applicable.
- 6.37 For any subscription, redemption or conversion request arriving at the Fund after the deadline set at 1 p.m. Luxembourg time, on the Pricing Day, the Net Asset Value applicable will be the Net Asset Value as calculated based on the following Calculation Day.

Payment of the subscription price or redemption price

- 6.38 The amount for the subscription shall be paid or transferred as further set out in the main body of the Prospectus within two Business Days after the Pricing Day.

- 6.39 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within two Business Days from the relevant Pricing Day.

Cut-off	Subscription: 1 p.m. Luxembourg time, on the Pricing Day. Redemption: 1 p.m. Luxembourg time, on the Pricing Day.
Pricing Day	Each Business Day.
Calculation Day	One Business Day following the Pricing Day.
Settlement Day	Subscription: within two Business Days after the relevant Pricing Day. Redemption: within two Business Days after the relevant Pricing Day.

Investment management fee specific to this Compartment

- 6.40 The Fund will pay the Investment Manager a management fee as described as follows:

Class A Dis and Class A Acc	max.: 0.70% p.a.
Class B Dis and Class B Acc	max.: 0.60% p.a.
Class C Dis and Class C Acc	max.: 0.40% p.a.
Class D Dis and Class D Acc	max.: 0.30% p.a.
Class O Dis and Class O Acc	max.: 0.90% p.a.

Performance fee

- 6.41 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to 5% of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter).
- 6.42 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 6.43 The performance fee is equal to the out performance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark for the calculation period in question.
- 6.44 The high water mark is defined as the greater of the following two figures:
- (a) the last highest Net Asset Value per Share on which a performance fee has been paid; and
 - (b) the initial NAV per Share,

hereafter referred to as the “High Water Mark”.

- 6.45 The High Water Mark will be decreased by the dividends paid to Shareholders.
- 6.46 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable. The performance reference period corresponds to the whole life of the Compartment.
- 6.47 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.
- 6.48 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 6.49 Calculation period shall correspond to each calendar year.
- 6.50 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.
- 6.51 For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2016.
- 6.52 The formula for the calculation of the performance fee is as follows:

F	=	0
		If $(B / E - 1) \leq 0$
F	=	$(B / E - 1) * E * C * A$
		If $(B / E - 1) > 0$
The new high water mark	=	if $F > 0$; D
		If $F = 0$; E
Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (5%)	=	C
NAV per share after performance	=	D
High water mark	=	E
Performance fees	=	F

Performance Fee Example

- 6.53 Examples are illustrative only, and are not intended to reflect any actual past performance or potential future performance.

	NAV before Perf Fee	HWM per share	Yearly NAV per share performance	NAV per share performance / HWM	Perf Fee	NAV after Perf Fee
Year 1:	110	100	10.00%	10.00%	0.50	109.5
Year 2:	115	109.5	5.02%	5.02%	0.28	114.73
Year 3:	108	114.73	-5.86%	-5.86%	0.00	108
Year 4:	112	114.73	3.70%	-2.38%	0.00	112
Year 5:	118	114.73	5.36%	2.85%	0.16	117.84

With a performance fee rate equal to 5%.

- (a) Year 1: The NAV per share performance is 10%. The excess of performance over the HWM is 10% and generates a performance fee equal to 0.5.
- (b) Year 2: The NAV per share performance is 5.02%. The excess of performance over the HWM is 5.02% and generates a performance fee equal to 0.26.
- (c) Year 3: The NAV per share performance is -5.86%. The underperformance over the HWM is -5.86% No performance fee is calculated.
- (d) Year 4: The NAV per share performance is 3.70%. The underperformance over the HWM is -2.38% No performance fee is calculated.
- (e) Year 5: The NAV per share performance is 5.36%. The excess of performance over the HWM is 2.85% and generates a performance fee equal to 0.16.

Initial Subscription Period

- 6.54 From 23 May 2016 to 31 May 2016, at the Initial Subscription Price per Share as described under Section 6.29 above.

ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Protea Fund -Orcadia GSB
(the "Compartment")

Legal entity identifier:
213800WAVVOPS85N2205

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of sustainable investments with an environmental objective: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of sustainable investments with a social objective: ____%

☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not** make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager aims to promote a broad range of environmental and social characteristics that the underlying investments of the Compartment may be exposed to.

Examples of the environmental and social characteristics promoted by the Compartment are:

- Environmental:
 - be an above average contributor to the reduction of carbon emissions in its production processes or contributing to this goal by the products or solutions the company offers;
 - reduction in water stress, efficient raw material sourcing;
 - be an above average contributor to the reduction in (toxic) waste, packaging materials and the like or by offering products that contribute to achieving this goal; and
 - opportunities in clean tech / renewable energy / green building and the like.
- Social:
 - respect for labour laws;
 - offering customers access to finance, healthcare and communications in an affordable way; and
 - respect for diversity and equality between the sexes.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Compartment.

● *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*

The Investment Manager uses a variety of sustainability indicators to measure the attainment of the promotion of the environmental and social characteristics, including the following:

- revenues from weapons;
- revenues from tobacco;
- revenues from oil & gas independently of it being “traditional” or unconventional;
- revenues from coal independently of it being “traditional” or unconventional;
- revenues from nuclear;
- revenues from alcohol;
- revenues from gambling;
- revenues contributing to SDGs;
- absence of direct involvement in very severe ongoing controversies which contradict global norms and conventions such as United Nations (UN) global compact, the ILO conventions, the UNGP’s and the OECD guidelines for multinational companies; and
- overall ESG score(s) provided by leading ESG providers.

● *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

The objectives of the sustainable investments of the Compartment are:

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- to promote sustained, shared and sustainable economic growth, full and productive employment and decent work for all;
- to promote sustainable management and use of natural resources, to halve global per capita food waste and to substantially reduce waste generation;
- to strengthen resilience and adaptation capacity to climate related disasters; and
- to substantially reduce corruption and bribery.

Those objectives are based on the four Sustainable Development Goals of the United Nations below:

- SDG 8: Decent Work & Economic Growth;
- SDG 12: Responsible Consumption & Production;
- SDG 13: Climate Action; and
- SDG 16: Peace, Justice and Strong Institutions.

The Investment Manager based its methodology on the UN SDG's module of Clarity which scores companies on a scale from 0 to 100. For a company to be considered as contributing positively to the sustainable investment, it must have a score of minimum 60 for at least one of the four SDG's and it must not be considered as clearly below average (score < 25) compared to the other 3 SDGs. For active funds and ETFs, the Investment Manager analyses companies' SDGs scores based on the composition of their portfolio in full lookthrough.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

For a company to be considered as sustainable investment, it must not simply contribute positively to at least one of the characterized SDGs, it must also not be considered clearly below average regarding the other three SDGs.

Moreover, the Investment Manager also considers the principal adverse impact indicators to verify that the sustainable investments do not cause significant harm. Indeed, to be considered as sustainable investments, issuers must not show evidence of, among others, the PAI indicators as described below and other activities detailed in the binding elements section.

— — — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The indicators for principal adverse impacts are taken into account to verify that the sustainable investments that the Compartment intends to make do not cause significant harm to any environmental or social sustainable investment objective. In particular, the following principal

adverse impacts indicators are considered:

- GHG emissions;
- Carbon footprint;
- GHG intensity of investee companies;
- Exposure to companies active in the fossil fuel sector;
- Share of non-renewable energy consumption and production;
- Energy consumption intensity per high impact climate sector;
- Activities negatively affecting biodiversity sensitive areas;
- Emissions to water;
- Hazardous waste and radioactive waste ratio;
- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
- Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME;
- Unadjusted gender pay gap;
- Board gender diversity;
- Exposure to controversial weapons.

In addition to the abovementioned mandatory indicators, the following optional indicators are taken into account:

- Investments in companies without carbon emission reduction initiatives; and
- Lack of anti-corruption and anti-bribery policies.

Moreover, main negative impact indicators are taken into account by the exclusion and best-in-class processes implemented when building the investment universe from which the Investment Manager chooses the Compartment's investments. Indeed, to be admitted in the portfolio, large cap companies must be part of the MSCI Selection indices. Compared to the so-called "Standard" indices, which include the largest companies in each sector, the ESG indices already exclude 50% of the worst performers in terms of environmental, social and governance criteria, which already eliminates a very significant part of possible negative effects of the portfolio.

Moreover, in order to be members of the MSCI Selection Index, companies cannot have very severe ongoing controversies. Indeed, the analysis of controversies is an integral part of the MSCI Selection index methodologies. MSCI analyses each company according to the "MSCI Controversies Score Eligibility" in order to identify companies facing serious controversies in terms of environmental, social or governance impact, due to their mode of operation, their products or even of their services. This score has been designed to be consistent with international standards such as the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the United Nations Global Compact.

This score is based on indicators such as:

- biodiversity and land use;

- toxic emissions and waste;
- energy and climate change;
- water shortage;
- operational waste;
- impact on local communities;
- human rights concerns;
- corruption and fraud;
- governance structure;
- etc.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

All companies in which the Compartment invests must pass the exclusion process which exclude all companies with direct involvement in very severe ongoing controversies which contradict global norms and conventions such as the UN Global Compact, the ILO conventions, and the like.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes.
- ☐ No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



What investment strategy does this financial product follow?

The Compartment follows a best-in-class strategy.

In order to pursue this strategy, the Compartment invests in assets with above average ESG scores. This is obtained through the combination of a best-in-class selection approach and an exclusion policy.

Furthermore, the Investment Manager applies a selection approach based on the information coming from reputable external sources such as MSCI, Nordea, Norges Bank and Financité.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

The investment strategy of the Compartment has the following binding elements to select the investments to attain the promoted environmental or social characteristics:

Best-in-class approach:

For large cap companies (which are members of the MSCI "Standard" index), these companies must also be a member of the MSCI Selection index of the region to be allowed in the investible universe. In the case where MSCI's classification does not seem in line with other leading providers, additional analysis will be performed by the Investment Manager.

For small and mid-cap companies the Investment Manager will evaluate if a company fits into the investment universe using data for ESG data providers or, in the absence of reliable data, by performing an in-house analysis based on the corporate sustainable report and any other documentation available from the company or other reputable sources.

The evaluation of sovereign bonds is done via an inhouse analysis based on public data from reputable sources such as the UN, the Worldbank or international NGO's.

In order to be eligible, active funds and ETFs should pass at least one of the below mentioned criteria

- label from a reputable label agency such as Towards Sustainability or Luxflag;
- an ESG rating of at least BBB from MSCI Selection fund rating; and/or
- at least three “globes” from Morningstar.

On top of the criteria mentioned above, indexed funds/ETF should be indexed on an MSCI Selection /SRI index from the respective region or a similar ESG/SRI Index from an equivalent index provider.

Investments already present in the Compartment that no longer pass the screening process must be sold within 3 months on a best effort basis. This negative screening of the existing portfolio is done by the Investment Manager bi-annually for large cap bond and equity investments and annually for investments in small cap equity and bond investments, for government bonds and for investments in third party funds and ETF's.

In case there would be news reports on a (very) significant controversy on a potential investment which is not excluded (yet) in the negative screening, the Investment Manager will refrain from investing in this asset awaiting the updated screening. In case of news reports on a potential very significant controversy on a company or country already in the portfolio, the Investment Manager shall decide whether the controversy is effectively to be considered as (very) significant and in such case, all investments in such asset must be sold within the 3 months on a best effort basis following the decision.

Exclusions:

The Investment Manager uses a combination of different elements for exclusions:

(1) The first consists of norms-based exclusions such as:

- a. companies with direct involvement in very severe ongoing controversies which contradict global norms and conventions such as the UN Global Compact, the ILO conventions, and the like; and
- b. debt issued by countries or their state-owned companies which the Investment Manager considers controversial. They define these as countries with (a) high levels of corruption, (b) fundamental breaches in human rights, (c) a complete lack of political freedom and (d) countries subject to international sanctions or under an “asset freeze” from the European Union.

(2) In addition to the above-mentioned norms-based exclusions, the Investment Manager will seek to restrict investments in the following:

- a. companies that derive more than 5% of their revenues from:
 - i. the production of tobacco;
 - ii. thermal coal mining and unconventional oil and gas extraction; and
 - iii. thermal coal-based power generation.

- b. companies that derive 10% or more of their revenues from:
 - i. the production of weapons;
 - ii. the ownership or operation of nuclear power plants;
 - iii. the production of alcohol; and
 - iv. the ownership or operation of gambling-related business activities.

The Investment Manager will also restrict investing (directly or indirectly) in soft or hard commodities with an exception on precious metals.

● *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The implementation of the selection criteria leads to the exclusion of 50% of the total investment universe.

● *What is the policy to assess good governance practices of the investee companies?*

Good governance practices are an integral part of the best-in-class selection process for inclusion in the MSCI Selection indices. They are also part of the process at S&P and Sustainalytics.

The MSCI Corporate Governance Score is an absolute assessment of a company's governance that utilizes a universally applied 0-10 scale. Each company starts with a "perfect 10" score and scoring deductions are applied based on the assessment of key metrics. The MSCI Corporate Governance Score is derived from the raw score which is calculated as the sum of points associated with the key metrics. The 96 underlying key metrics are grouped into four issues: (i) board, (ii) pay, (iii) ownership & control and (iv) accounting.

- Board: the board theme is scored primarily on the basis of the board's independence from management, and on various measures of board experience and effectiveness. Negative governance-related events such as bankruptcies; securities fraud litigation or regulatory investigations; delisting threats are included in this section. While not generally applicable to a majority of companies, and thus not assigned a separate component ranking, these event metrics may have a significant impact on a company's overall governance ranking.
- Pay: CEO and other executive pay practices are evaluated for all companies, including specific pay figures, where disclosed. Pay is scored primarily based on levels of pay relative to peers, as well as specific features of the pay program design. Reflecting the varying levels of disclosure across markets, pay rankings are designed to prevent companies with poor disclosure from being rewarded.
- Ownership & control: the ownership & control theme evaluates the following: (1) concerns regarding the company's ownership structure,

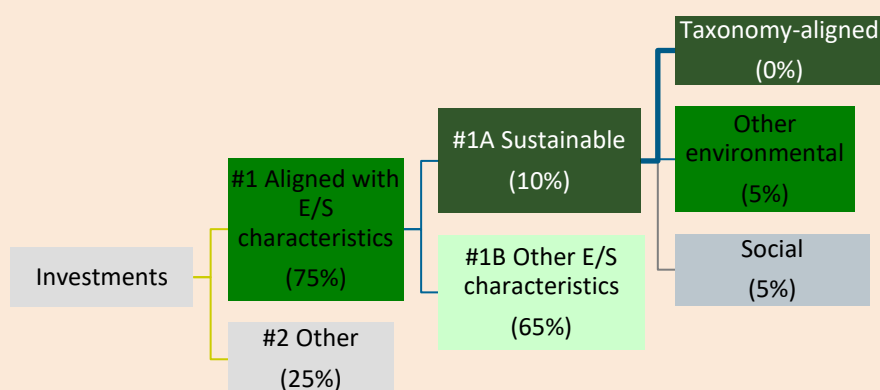
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

including the presence of controlling shareholders, differential voting rights across multiple share classes, and majority voting provisions; (2) takeover defences such as poison pills, classified boards, and other provisions affecting the ability of shareholders to accept an attractive bid for a company, with special emphasis placed on multiple defences; (3) shareholder rights that enable investors to act collectively, such as rights to call special meetings or act by written consent; (4) provisions impeding shareholder rights, such as limitations on voting rights and the ability of shareholders to approve charter and bylaw amendments.

- Accounting: the accounting theme evaluates corporate transparency and the reliability of reported financials as an aspect of corporate governance.



What is the asset allocation planned for this financial product?



#1 ALIGNED WITH E/S CHARACTERISTICS INCLUDES THE INVESTMENTS OF THE FINANCIAL PRODUCTS USED TO ATTAIN THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THE FINANCIAL PRODUCT.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 Aligned with E/S characteristics: 75% of the investments (taking into consideration long positions) are aligned with the environmental or social characteristics promoted by the Compartment.

#1A Sustainable: minimum 10% are sustainable investments with environmental objectives and with social objectives.

#1B Other E/S characteristics: maximum 65% investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Should the Compartment use derivatives, they will not be used to attain the environmental or social characteristics promoted by the Compartment.



- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐

Yes:

☐

In fossil gas

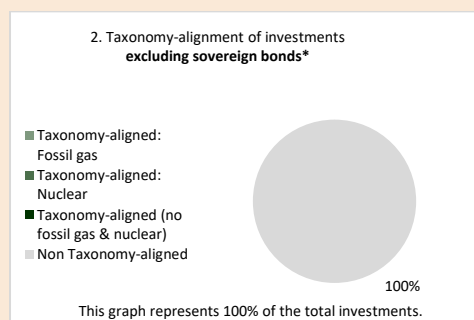
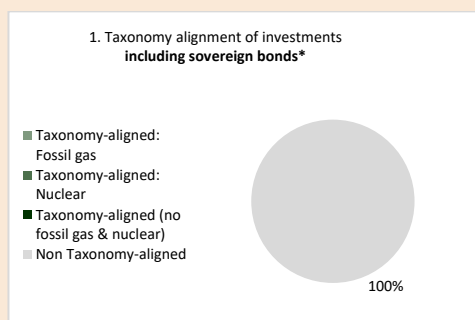
☐

In nuclear energy

☒

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Compartment commits to making a minimum of 5% of the Compartment's net assets aligned with sustainable investments with an environmental and/or social objective.



What is the minimum share of socially sustainable investments?

The Compartment commits to making a minimum of 5% of the Compartment's net assets aligned with sustainable investments with an environmental and/or social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

“#2 Other” can include

- cash and Cash Equivalents;
- derivatives on non-sustainable indices, which are used as no sufficient liquid sustainable alternative is available for the time being and being used for hedging reasons
- investments under ESG review; and
- investments which are no more in line with ESG criteria in place and which should be sold within the next 3 months on a best effort basis.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this Compartment.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://assetservices.group.pictet/asset-services/fund-library/lu/en/financial-intermediary/funds>

8. PROTEA FUND – ORCADIA EQUITIES EMU SRI EX-FOSSIL

Investors' profile

- 8.1 The compartment Protea Fund – Orcadia Equities EMU SRI Ex-Fossil (the “Compartment”) is a high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through an exposure to equities markets.
- 8.2 The Compartment requires an investment horizon of at least seven (7) years.
- 8.3 There can be no guarantee that the Compartment’s objective will be achieved.
- 8.4 The Compartment is actively managed. The Compartment has no benchmark index and is not managed in reference to a benchmark index.

Objectives and investment policy

- 8.5 The Compartment’s objective is to provide capital growth by offering mainly an exposure to equities and equity related securities (such as subscription rights, closed-ended REITs).
- 8.6 The Compartment promotes among other characteristics, environmental or social characteristics or a combination thereof, within the meaning of article 8 of SFDR but does not have a sustainable investment objective. The investee companies in which the Compartment invests will follow good governance practices based on such policies which are further detailed in Annex 1 of this Compartment’s appendix (the “Annex”).
- 8.7 The Investment Manager uses a variety of sustainability indicators to attain the promotion of the environmental and social characteristics. For more details about the ESG methodology and restrictions, please refer to the pre-contractual disclosure included in the Annex.
- 8.8 The Compartment will have a focus on companies across all economic sectors (except companies of the energy sector that own oil, gas and coal reserves) which are located in the European Economic and Monetary Union (“EMU”) and contribute to sustainable development, covering the Socially Responsible Investment (“SRI”) criteria. Meaning that under normal market conditions, EMU SRI investments (excluding companies of the energy sector) will represent at least 90% of the Compartment’s portfolio (assets excluding cash and Cash Equivalents). The Compartment will also aim to avoid to invest in companies that are conducting non-compulsory animal testing for non-medical purposes. In this context, primary research on socially responsible investments will be conducted by an external service provider on behalf of the Compartment.
- 8.9 AIn order to achieve its objective, the Compartment will mainly invest directly in the securities/asset classes mentioned above.
- 8.10 On an ancillary basis (up to 49% of its net assets), the Compartment may invest in Money Market Instruments, UCIs and structured products (as described below).
- 8.11 However, the Compartment’s investments in units or shares of UCIs (UCITS and/or other UCIs as referred to in Section 23.3(e) of the main body of the Prospectus), shall not exceed 10% of the net assets of the Compartment.

- 8.12 The Compartment may invest in structured products with or without embedded derivatives in accordance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, such as, but not limited to, credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, equities, an index (including indices on volatility) selected in accordance with the article 9 of the Grand-Ducal Regulation, currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI, at all times in compliance with the Grand-Ducal Regulation.
- 8.13 For hedging and for investment purposes, within the limits set out in Section 23 “Investment restrictions” of the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision.
- 8.14 Nevertheless, in normal market conditions, the use of financial derivative instruments should be limited and will only consist in listed options and futures offering an exposure to equities.
- 8.15 The Compartment will not use SFTs nor TRS.
- 8.16 **In accordance with the SFDR RTS, further information related to environmental and/or social characteristics is available in the Annex.**

SFDR

- 8.17 The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision making processes. The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process. If one or more Sustainability Risks crystallise, there may be a negative impact on the value of the Compartment, and therefore returns to investors and performance of the Compartment. However, the Compartment has a diligent approach in place to seek to mitigate the impact of Sustainability Risk on its returns, including (among other things) by integrating the consideration of such risks into its investment decision-making process, and through monitoring and management where relevant, in each case, as described herein and in the Annex.

Taxonomy Regulation

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

Risk considerations specific to the Compartment

- 8.19 The assets of the Compartment are subject to market fluctuations and the specific risks linked to investments in equity securities, in UCIs as well as to risks linked to the use of financial derivative instruments, Money Market Instruments and structured products.
- 8.20 Please refer to the Section 16 of the main body of the Prospectus headed “Risk considerations” above for further details in this connection.

Global risk exposure

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

Performance

- 8.22 The performance scenarios of the Compartment will be disclosed in the KIDs of the Compartment. In this connection, investors should note that past performance is not necessarily a guide to future performance. Investors may not get back the full amount invested, as prices of shares and the income from them may fall as well as rise.

Income distribution policy

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

Categories of Shares

8.24

Name of the category of Share	Class A accumulation	Class B accumulation
Currency	EUR	EUR
Initial Subscription Price	100	100
Eligible investors	Retail investors	Investors that are under a management or advisory mandate with the Investment Manager*
Minimum initial subscription	1 share	1 share
Minimum total amount under a mandate with the Investment Manager *	N/A	EUR 2.5 million
Minimum subsequent subscription	1 share	1 share
Minimum holding amount	1 share	1 share
Subscription, redemption and conversion fee	N/A	N/A

* Members of one and the same family will be considered as one Shareholder for the purpose of calculating the minimum total amounts under a mandate with the Investment Manager.

Shareholders who are invested in a fund managed or advised by the Investment Manager will be considered as being under a mandate with the Investment Manager.

Reference Currency

8.25 The Reference Currency is the EUR.

Investment Management of the Compartment

8.26 In relation to investment opportunities for the Compartment, the Management Company has appointed Orcadia Asset Management S.A. whose registered office is at 13, rue de l'Industrie, L -8399 Windhof, Grand Duchy of Luxembourg, as investment manager, under the term of an Investment Management Agreement.

Frequency of calculation of NAV

8.27 Each Business Day is a Pricing Day. The Net Asset Value of the Compartment shall be calculated one Business Day following the Pricing Day (the "Calculation Day").

Payment of the subscription price or redemption price

8.28 The amount for the subscription shall be paid or transferred within up to 2 Business Days counting from the relevant Pricing Day as set out below.

Cut-off	Subscription: 1 p.m. Luxembourg time, on the Pricing Day Redemption: 1 p.m. Luxembourg time, on the Pricing Day Conversion: 1 p.m. Luxembourg time, on the Pricing Day
Pricing Day	Each Business Day
Calculation Day	One Business day following the Pricing Day
Settlement Day	Subscription: within 2 Business Days after the relevant Pricing Day Redemption: within 2 Business Days after the relevant Pricing Day Conversion: within 2 Business Days after the relevant Pricing Day

Fees specific to this Compartment

Investment management fee

8.29 The Compartment will pay to the Investment Manager a management fee as follows:

Class A EUR	Up to 0.7% p.a.
Class B EUR	Up to 0.35% p.a.

PROTEA FUND

- 8.30 The investment management fee will be calculated, on a daily basis, in arrear, on the average net assets of the relevant category of Shares and will be payable quarterly in arrears.

Initial Subscription Period

- 8.31 From 12 November 2018 to 16 November 2018, at the initial subscription price of EUR100 in respect of the relevant Class of Shares.

ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Protea Fund - Orcadia Equities
Legal entity identifier: 222100N3TTRH8BJX5K45

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** ____%

☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager aims to promote a broad range of environmental and social characteristics that the underlying investments of the Compartment may be exposed to.

Examples of the environmental and social characteristics promoted by the Compartment are:

- Environmental:
 - be an above average contributor to the reduction of carbon emissions in its production processes or contributing to this goal by the products or solutions the company offers;
 - reduction in water stress, efficient raw material sourcing;
 - be an above average contributor to the reduction in (toxic) waste, packaging materials and the like or by offering products that contribute to achieving this goal; and
 - opportunities in clean tech / renewable energy / green building and the like.
- Social:
 - respect for labour laws;
 - offering customers access to finance, healthcare and communications in an affordable way; and
 - respect for diversity and equality between the sexes.

The Compartment adhere to the EU Paris-aligned Benchmark exclusion list as detailed in article 12 of EU Regulation 2020/1818 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Compartment.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager uses a variety of sustainability indicators to measure the attainment of the promotion of the environmental and social characteristics, including the following:

- revenues from civilian firearms, conventional;
- revenues from tobacco;
- revenues from oil and gas independently of it being “traditional” or unconventional;
- revenues from coal independently of it being “traditional” or unconventional;
- revenues from fossil fuel;
- revenues from nuclear power;
- revenues from genetically modified organisms (“GMO”);
- revenues from alcohol;
- revenues from gambling;
- revenues from adult entertainment and pornography;
- absence of violation of United Nations (UN) global compact, the ILO conventions, the UNGP’s and the OECD guidelines for multinational companies; and

- overall Environmental, Social and Governance (“ESG”) score(s) provided by leading ESG providers.

- *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

Not applicable.

- *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

Not applicable.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☐ Yes, _____
- ☒ No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



What investment strategy does this financial product follow?

The Compartment follows a best-in-class strategy.

In order to pursue this strategy, the Compartment invests in assets with above average ESG scores. This is obtained through the combination of a best-in-class selection approach and an exclusion policy.

Furthermore, the Investment Manager applies a selection approach based on the information coming from reputable external sources such as MSCI, Nordea, Norges Bank and Financité. All companies in the portfolio must be a member of the MSCI EMU SRI Index of the Eurozone, and companies that are no longer members will be sold on a best effort basis.

- *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

To invest in companies with excellent ESG credentials, the Investment Manager uses a combination of a best-in-class selection approach and an exclusion policy:

Best-in-class selection approach

For the management of the Compartment the investible universe is reduced from the “standard” MSCI Eurozone index, which includes the largest listed companies in the Eurozone, towards the MSCI EMU SRI Index. As such only the top 25% of companies within a sector are withheld. While this significantly reduces the potential universe in which the Compartment can invest this is a deliberate choice as the Investment Manager wants the investments of the Compartment to be among the top performers in their

sector.

However, given that non-financial assessments are more prone to discussion than financial figures and the Investment Manager wants to avoid investing in companies which would be viewed as clearly below average by other evaluators, the Investment Manager makes a crosscheck based on the views of S&P (formerly Robeco SAM) and Sustainalytics. If based on the crosscheck, the Investment Manager arrives at the conclusion that the MSCI rating might paint a too positive image, the Investment Manager will evaluate on publicly available information if a significant issue might effectively be present. If such an issue would be present, the considered investment will be excluded from the investible universe.

Bi-annually, the Investment Manager check the inclusion within the MSCI SRI index and the ESG-scores attributed by MSCI, S&P and Sustainalytics. If a company is no longer a member of the MSCI SRI Index or if the crosscheck would yield a negative result, the company will be excluded from the universe and as such the position must be sold within the next 3 months on a best effort basis. An ad-hoc analysis will be made if and when a (very) severe controversy appears on a company. If based on the available information the Investment Manager would arrive at the conclusion that the company would presumably no longer be in line with the values and norms to which the Compartment adheres the company will be excluded from the universe, thus automatically excluding new investments and triggering a mandatory sale of the position within 3 months on a best effort basis.

Exclusion policy:

The Investment Manager uses a combination of different elements:

- (1) The first consists of norms-based exclusions such as:
 - a. companies that are in violation of the UN Global Compact, OECD Guidelines for multinational enterprises, the ILO conventions, and the like;
- (2) above and beyond the “traditional exclusions”, the Investment Manager excludes from investments of the Compartment:
 - a. companies which are member of the “GICS 10 – Energy” and that are producers of fossil fuels or companies which derive revenues from thermal coal mining or from oil and gas extraction;
 - b. companies that derive more than 5% of their revenues from:
 - i. civilian firearms and the production of conventional weapons;
 - ii. GMOs;
 - iii. alcohol;
 - iv. gambling; and
 - v. adult entertainment ;
 - c. investments in companies referred to in Article 12(1)(a) to (g) of

Commission Delegated Regulation 2020/1818 of 17 July 2020 (**PAB exclusions**), namely:

- i. companies involved in any activities related to controversial weapons, as referred to in the list of controversial weapons provided in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288, namely anti-personal mines, cluster munitions, chemical weapons and biological weapons;
 - ii. companies involved in the cultivation and production of tobacco;
 - iii. companies that the Compartment finds in violation of the United Nations Global Compact (**UNGC**) principles or the organisation for Economic Cooperation and Development (**OECD**) Guidelines for Multinational Enterprises;
 - iv. companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
 - v. companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
 - vi. companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
 - vii. companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100g CO₂ e/kWh;
- d. companies that conduct non-mandatory research on living animals for non-medical reasons;
- e. utilities that derive more than 5% of its revenue from:
- i. thermal electricity production; and
 - ii. nuclear based electricity production.
- f. electricity producers whose generation capacity is not in line with the Paris Climate ambitions

Moreover, the company should structurally increase over time its production or capacity in renewable sources.

Also excluded are those companies that are on the exclusion lists of Nordea or Norges Bank or which are referenced by at least 2 different sources on the Financité black list.

● *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The implementation of the selection criteria leads to the exclusion of at least 75% of the total investment universe (which is defined as the large cap companies from the Eurozone).

● *What is the policy to assess good governance practices of the investee companies?*

Good governance practices are an integral part of the best-in-class selection

Good governance
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

process for inclusion in the MSCI SRI indices. They are also part of the process at S&P and Sustainalytics.

The MSCI Corporate Governance Score is an absolute assessment of a company's governance that utilizes a universally applied 0-10 scale. Each company starts with a "perfect 10" score and scoring deductions are applied based on the assessment of key metrics. The "Corporate Governance Score" is derived from the raw score which is calculated as the sum of points associated with the key metrics. The 96 underlying key metrics are grouped into four issues: (i) board, (ii) pay, (iii) ownership & control; and (iv) accounting.

- **Board:** the board theme is scored primarily on the basis of the board's independence from management and on various measures of board experience and effectiveness. Negative governance-related events such as bankruptcies; securities fraud litigation or regulatory investigations; delisting threats are included in this section. While not generally applicable to a majority of companies, and thus not assigned a separate component ranking, these event metrics may have a significant impact on a company's overall governance ranking;
- **Pay:** CEO and other executive pay practices are evaluated for all companies, including specific pay figures, where disclosed. Pay is scored primarily based on levels of pay relative to peers, as well as specific features of the pay program design. Reflecting the varying levels of disclosure across markets, pay rankings are designed to prevent companies with poor disclosure from being rewarded;
- **Ownership & control:** the ownership & control theme evaluates the following: (1) concerns regarding the company's ownership structure, including the presence of controlling shareholders, differential voting rights across multiple share classes, and majority voting provisions; (2) takeover defences such as poison pills, classified boards, and other provisions affecting the ability of shareholders to accept an attractive bid for a company, with special emphasis placed on multiple defences; (3) shareholder rights that enable investors to act collectively, such as rights to call special meetings or act by written consent; (4) provisions impeding shareholder rights, such as limitations on voting rights and the ability of shareholders to approve charter and bylaw amendments; and

Accounting: the accounting theme evaluates corporate transparency and the reliability of reported financials as an aspect of corporate governance.

Asset allocation describes the share of investments in specific assets.

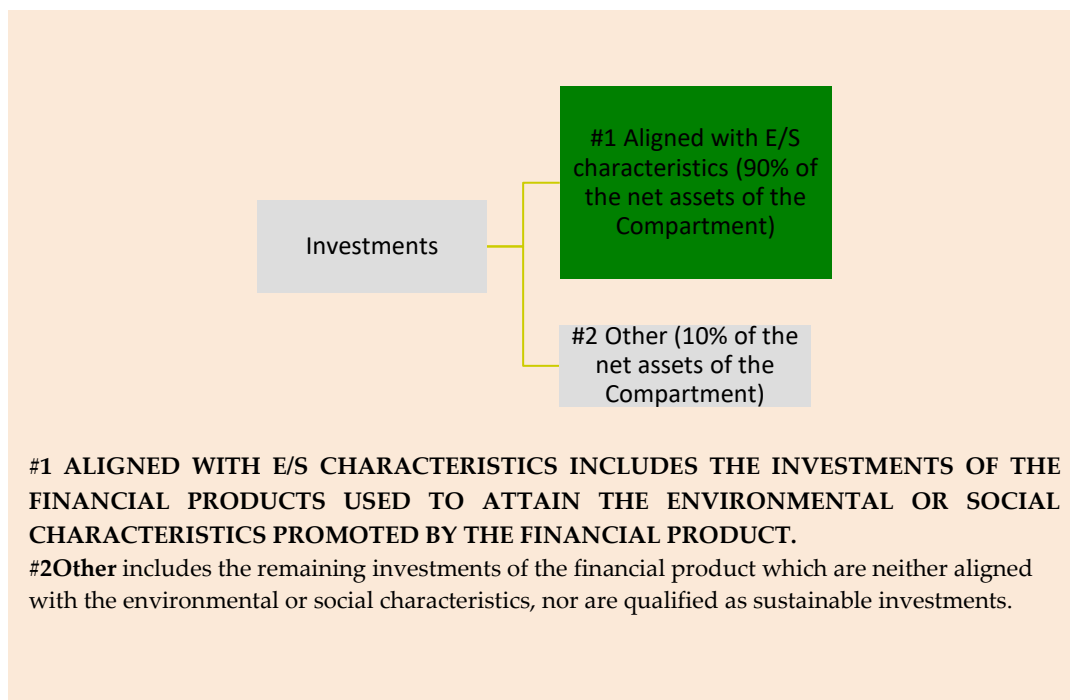


What is the asset allocation planned for this financial product?

The Investment Manager is planning to invest at least 90% of the Compartment's net assets in investments aligned with the environmental or social characteristics promoted by the Compartment or a combination thereof.

The Investment Manager is planning to invest a maximum of 10% of the

Compartment's net assets in investments which will not be aligned with the environmental or social characteristics promoted by the Compartment.



- *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Should the Compartment use derivatives, they will not be used to attain the environmental or social characteristics promoted by the Compartment.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

☐

Yes:

☐

In fossil gas

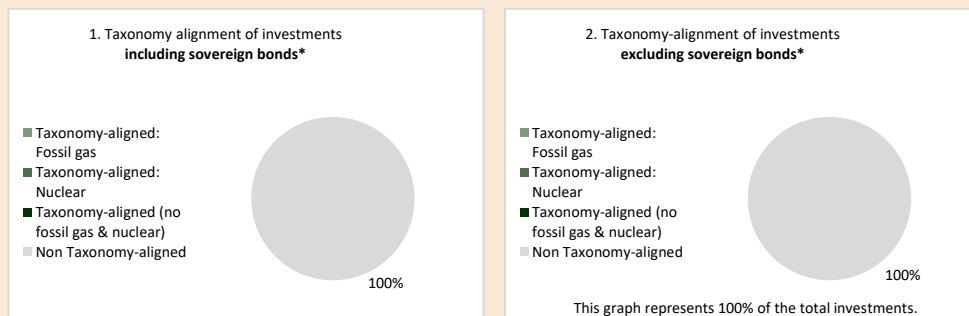
☐

In nuclear energy

☒

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- What is the minimum share of investments in transitional and enabling activities?

Not applicable.



- What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



- What is the minimum share of socially sustainable investments?

Not applicable.



- What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

“#2 Other” can include:

- cash and Cash Equivalents;
- derivatives on non-sustainable indices, which are used as no sufficient liquid sustainable alternative is available for the time being;
- investments under ESG review; and
- investments which are no more in line with ESG criteria in place and which should be sold within the next 3 months on a best effort basis.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this Compartment.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.

Where can I find more product specific information online?



More product-specific information can be found on the website:

<https://assetservices.group.pictet/asset-services/fund-library/lu/en/financial-intermediary/funds>

15. PROTEA FUND – ORCADIA GSD

Investors' profile

- 15.1 The compartment Protea Fund – Orcadia GSD (the “**Compartment**”) is a high risk vehicle aiming to provide capital growth. The acronym “GSD” stands for “Global Selection Dynamic”. It may be suitable for investors who are seeking long term growth potential offered through an exposure to the equities markets and bonds markets. Hence it requires an investment horizon of at least 7 years.
- 15.2 There can be no guarantee that the Compartment’s objective will be achieved.
- 15.3 The Compartment is actively managed. The Compartment has no benchmark index and is not managed in reference to a benchmark index.

Objectives and investment policy

- 15.4 The Compartment’s objective is to provide capital growth by offering mainly an exposure to the following asset classes: debt securities of any type (including Money Market Instruments), equities and equity-related securities (such as closed-ended REITs, ADR and GDR).
- 15.5 The Compartment promotes among other characteristics, environmental or social characteristics or a combination thereof, within the meaning of article 8 of SFDR but does not have a sustainable investment objective. The investee companies in which the Compartment invests will follow good governance practices based on such policies which are further detailed in Annex 1 of this Compartment’s appendix (the “Annex”).
- 15.6 The Investment Manager uses a variety of sustainability indicators to attain the promotion of the environmental and social characteristics. For more details about the ESG methodology and restrictions, please refer to the pre-contractual disclosure included in the Annex.
- 15.7 In order to achieve its objective, the Compartment will mainly invest:
 - (a) directly in the securities/asset classes above-mentioned; and/or
 - (b) in UCIs (UCITS and/or other UCIs referred to in Section 23.3(e) of the main body of the Prospectus), having as main objective to invest or grant an exposure to the abovementioned securities/asset classes.
- 15.8 The proportion of assets devoted to each asset class varies over time. However, without being a constraint, the Investment Manager intends to have an exposure (via direct investments and indirectly, via UCIs having as main objective to invest in the below mentioned asset classes):
 - (a) between 55% and 100% of the Compartment’s net assets to the equity asset class; and
 - (b) of maximum 45% of the Compartment’s net assets to the debt securities asset class. (The expected average credit rating of the Sub-fund's portfolio will be BBB (S&P notation or an equivalent credit rating from other recognized credit rating agencies), unrated debt securities will not be taken into account for the expected average credit rating).

- 15.9 The choice of investments will neither be limited by geographical area (including emerging markets up to 50% of the Compartment's net assets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 15.10 On an ancillary basis, the Compartment may invest in UCIs with other underlying than those above-mentioned and structured products (as described below).
- 15.11 The Compartment may invest in structured products with or without embedded derivatives in accordance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, such as, but not limited to, credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, equities, bonds, an index (including indices on volatility, commodities, precious metals, etc.) selected in accordance with the article 9 of the Grand-Ducal Regulation, currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI, at all times in compliance with the Grand-Ducal Regulation.
- 15.12 In compliance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.
- 15.13 For hedging and for investment purposes, within the limits set out in Section 23.31 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. The Compartment may take exposure through any financial derivative instruments such as but not limited to futures, options, contracts for difference, swaps and forwards on any underlying in line with the 2010 Law and any other related regulation as well as with the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, Transferable Securities, basket of Transferable Securities, indices (including volatility indices) and UCITS and other UCIs.
- 15.14 Nevertheless, in normal market conditions, the Investment Manager intends to use listed options and futures offering an exposure to equities or debt securities and currency derivatives (such as forward foreign exchange contracts).
- 15.15 It is understood that:
- (a) As the investment policy can be achieved via UCIs, the Compartment can at any time invest more than 50% of its net assets in UCIs (UCITS and or other UCIs referred to in Section 23.33(e) of the main body of the Prospectus). It may result in duplication of certain costs. In addition to the costs borne by the Compartment as part of its daily management, management fees will be indirectly levied via the target UCIs that it holds. The management fees of the target UCIs will be limited to a maximum of 1.50%.
 - (b) The Compartment can be exposed to investment grade debt securities (up to 45% of the Compartment's net assets) and non-investment grade debt securities (including non-rated debt securities) (up to 15% of the Compartment's net assets), in proportions that will vary according to financial market conditions and investment opportunities.

However, the Compartment will not invest directly in distressed or defaulted securities. It is understood that, in the event of downgrading in the credit ratings of a security or an issuer to distressed or defaulted, the Compartment may, at the discretion of the Investment Manager, and in the best interests of the Compartment's unitholders, continue to hold those debt securities which have been downgraded, provided that in any case the Compartment's maximum exposure to distressed or defaulted securities will be limited to a maximum of 5% of its net assets.

- (c) The Compartment may also invest directly up to 10% of its net assets in Contingent Convertible Bonds.
- (d) The Compartment will not invest directly into ABS and MBS. However, up to 10% of its net assets, the Compartment may invest in UCIs having as main objective to invest in ABS and MBS.

15.16 **In accordance SFDR RTS, further information related to environmental and/or social characteristics is available in the Annex.**

SFDR

15.17 The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision making processes. The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process. If one or more Sustainability Risks crystallise, there may be a negative impact on the value of the Compartment, and therefore returns to investors and performance of the Compartment. However, the Compartment has a diligent approach in place to seek to mitigate the impact of Sustainability Risk on its returns, including (among other things) by integrating the consideration of such risks into its investment decision-making process, and through monitoring and management where relevant, in each case, as described herein and in the Annex.

Taxonomy Regulation

15.18 In the context of the Taxonomy Regulation, in view of its ESG strategy, the Compartment promotes environmental characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation.

Risk considerations specific to the Compartment

15.19 The assets of the Compartment are subject to market fluctuations and the risks inherent to any investment in bonds and equities. Please refer to the Section 16 headed "Risk considerations" above for further details in this connection.

Global risk exposure

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

Performance

- 15.21 The performance scenarios of the Compartment will be disclosed in the KIDs of the Compartment. In this connection, investors should note that past performance is not necessarily a guide to future performance. Investors may not get back the full amount invested, as prices of Shares and the income from them may fall as well as rise.

Income distribution policy

- 15.22 No dividend shall be paid out to Shareholders of Class A Acc, Class B Acc, Class C Acc, Class D Acc and Class O Acc. However, the Directors reserve their right to revise this policy at their discretion.
- 15.23 Dividends will be paid to Shareholders of Class A Dis, Class B Dis, Class C Dis, Class D Dis and Class O Dis after the annual General Meeting, at the latest within 6 months after the close of the Business Year. However, the Directors reserve their right to revise this policy at their discretion.

Categories of Shares

15.24

	A		B		C		D		O	
Name of the Category of Shares	Class A Dis	Class A Acc	Class B Dis	Class B Acc	Class C Dis	Class C Acc	Class D Dis	Class D Acc	Class O Dis	Class O Acc
Distribution policy	DIS ⁶	ACC ⁷	DIS	ACC	DIS	ACC	DIS	ACC	DIS	ACC
Initial Subscription Price	EUR100		EUR100		EUR100		EUR100		EUR100	
Subscription fees, redemption fees and conversion fees	N/A		N/A		N/A		N/A		N/A	
Eligible investors	Investors that are under a management or advisory mandate with the Investment Manager*								Other investors	
Minimum total amount under a mandate with the Investment Manager *	N/A		EUR1mio		EUR2.5mio		EUR20mio		N/A	

* Members of one and the same family will be considered as one Shareholder for the purpose of calculating the minimum total amounts under a mandate with the Investment Manager. Shareholders who are invested in a fund managed or advised by the Investment Manager will be considered as being under a mandate with the Investment Manager.

- 15.25 In respect of categories of Shares B, C and D, in case where, a Shareholder were to reach or exceed the relevant minimum total amount under a mandate with the Investment Manager applicable

⁶ "DIS" is an acronym for "distribution".

⁷ "ACC" is an acronym for "accumulation"

to a particular category of Shares with a lower level of management fee to that applicable to the Shares held by the relevant Shareholder, this Shareholder may request the conversion free of charge of its Shares into Shares of such other category of Shares. These conversion requests may be addressed once a year and must be received by the UCI Administrator by the cut-off applicable in respect of the last Pricing Day of the financial year.

- 15.26 In respect of Categories B, C and D, in case where, a Shareholder were to fall below the relevant minimum total amount under a mandate with the Investment Manager applicable to the category of Shares held by the relevant Shareholder, the Investment Manager will inform this Shareholder 30 Business Days prior to the end of the relevant financial year that its Shares will, unless he/she/it reaches again the relevant threshold before the end of the relevant financial year, be converted free of charge into Shares of the category of Shares corresponding to the relevant minimum total amount under a mandate with the Investment Manager on the last Pricing Day of the financial year.

- 15.27 The Compartment will not use SFTs nor TRS.

Reference Currency of the Compartment

- 15.28 The Reference Currency is the EUR.

Management of the Compartment

- 15.29 In relation to investment opportunities for the Compartment, the Management Company has appointed Orcadia Asset Management S.A. whose registered office is at 13, rue de l'Industrie, L -8399 Windhof, Grand Duchy of Luxembourg, as investment manager, under the term of an Investment Management Agreement.

Frequency of calculation of NAV

- 15.30 Each Business Day is a Pricing Day. The Net Asset Value of the Compartment shall be calculated one Business Day following the Pricing Day (the "Calculation Day").

Cut-off times

- 15.31 For any subscription, redemption or conversion request received by the Fund, prior to 1 p.m. Luxembourg time, on the Pricing Day, the Net Asset Value calculated based on the Calculation Day will be applicable.
- 15.32 For any subscription, redemption or conversion request arriving at the Fund after the deadline set at 1 p.m. Luxembourg time, on the Pricing Day, the Net Asset Value applicable will be the Net Asset Value as calculated based on the following Calculation Day.

Payment of the subscription price or redemption price

- 15.33 The amount for the subscription shall be paid or transferred as further set out in the main body of the Prospectus within two Business Days after the Pricing Day.
- 15.34 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within two Business Days from the

relevant Pricing Day.

Cut-off	Subscription: 1 p.m. Luxembourg time, on the Pricing Day. Redemption: 1 p.m. Luxembourg time, on the Pricing Day.
Pricing Day	Each Business Day.
Calculation Day	One Business Day following the Pricing Day.
Settlement Day	Subscription: within two Business Days after the relevant Pricing Day. Redemption: within two Business Days after the relevant Pricing Day.

Conversion

- 15.35 Subject to the eligibility criteria for each category of Shares, Shareholders may request the conversion of all or part of their Shares into another category of Shares within the Compartment without additional costs. Conversions into Shares of another Compartment are not permitted.

Investment management fee specific to this Compartment

- 15.36 The Fund will pay the Investment Manager a management fee as described as follows:

Class A Dis and Class A Acc	max.: 0.70% p.a.
Class B Dis and Class B Acc	max.: 0.60% p.a.
Class C Dis and Class C Acc	max.: 0.40% p.a.
Class D Dis and Class D Acc	max.: 0.30% p.a.
Class O Dis and Class O Acc	max.: 0.90% p.a.

Performance fee

- 15.37 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to 5% of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter), multiplied by the number of Shares in circulation subject to the adjustments described below.
- 15.38 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 15.39 The performance fee is equal to 5% of the performance of the NAV per Share exceeding the high water mark multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark for the calculation period in question.

- 15.40 The high water mark is defined as the greater of the following two figures:
- (a) the last highest Net Asset Value per Share on which a performance fee has been paid; and
 - (b) the initial NAV per Share,
- hereafter referred to as the “High Water Mark”.
- 15.41 The High Water Mark will be decreased by the dividends paid to Shareholders.
- 15.42 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 15.43 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.
- 15.44 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 15.45 Calculation period shall correspond to each calendar year.
- 15.46 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.
- 15.47 For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2022.
- 15.48 The formula for the calculation of the performance fee is as follows:

$$\begin{aligned}
 F &= 0 && \text{If } (B / E - 1) \leq 0 \\
 F &= (B / E - 1) * E * C * A && \text{If } (B / E - 1) > 0 \\
 \text{The new high water mark} &= \begin{aligned} &\text{if } F > 0; D \\ &\text{If } F = 0; E \end{aligned} \\
 \text{Number of shares outstanding} &= A \\
 \text{NAV per share before performance} &= B
 \end{aligned}$$

Performance fee rate (5%)	=	C
NAV per share after performance	=	D
High water mark	=	E
Performance fees	=	F

Performance fee examples

- 15.49 Examples are illustrative only, and are not intended to reflect any actual past performance or potential future performance.

	NAV Before Perf Fee	HWM per share	Performance	Perf vs HWM	Perf fee	NAV after perf fee
Year 1	110	100	10.00%	10.00%	0.5000	109.50
Year 2	115	109.5	5.02%	5.02%	0.2750	114.73
Year 3	108	114.725	-5.86%	-5.86%	0	108.00
Year 4	112	114.725	3.70%	-2.38%	0	112.00
Year 5	118	114.725	5.36%	2.85%	0.1638	117.84
Year 1	The NAV per share performance is 10%. The excess performance over the HWM is 10% and generates a performance fee equal to 0.5					
Year 2	The NAV per share performance is 5.02%. The excess performance over the HWM is 5.02% and generates a performance fee equal to 0.275					
Year 3	The NAV per share performance is -5.86%. The NAV before performance fee is 5.86% below the HWM. The performance fee is equal to 0					
Year 4	The NAV per share performance is 3.70%. The NAV before performance fee is 2.38% below the HWM. The performance fee is equal to 0					
Year 5	The NAV per share performance is 5.36%. The excess performance over the HWM is 2.85% and generates a performance fee equal to 0.164					

Initial Subscription Period

- 15.50 From 16 March 2022 to 17 March 2022 or any other date decided by the Board of Directors, at the Initial Subscription Price per Share as described under Section 15.24 above.

ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Protea Fund -Orcadia GSD (the "Compartment")

Legal entity identifier:
222100MJMYJYNBIK5X82

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective: ____%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: ____%**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager aims to promote a broad range of environmental and social characteristics that the underlying investments of the Compartment may be exposed to.

Examples of the environmental and social characteristics promoted by the Compartment are:

- Environmental:
 - be an above average contributor to the reduction of carbon emissions in its production processes or contributing to this goal by the products or solutions the company offers;
 - reduction in water stress, efficient raw material sourcing;
 - be an above average contributor to the reduction in (toxic) waste, packaging materials and the like or by offering products that contribute to achieving this goal; and
 - opportunities in clean tech / renewable energy / green building and the like.
- Social:
 - respect for labour laws;
 - offering customers access to finance, healthcare and communications in an affordable way; and
 - respect for diversity and equality between the sexes.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this Compartment.

● *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*

The Investment Manager uses a variety of sustainability indicators to measure the attainment of the promotion of the environmental and social characteristics, including the following:

- revenues from weapons;
- revenues from tobacco;
- revenues from oil & gas independently of it being “traditional” or unconventional;
- revenues from coal independently of it being “traditional” or unconventional;
- revenues from nuclear;
- revenues from alcohol;
- revenues from gambling;

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- revenues contributing to SDGs;
- absence direct involvement in very severe ongoing controversies which contradict global norms and conventions such as United Nations (UN) global compact, the ILO conventions, the UNGP's and the OECD guidelines for multinational companies; and
- overall ESG score(s) provided by leading ESG providers.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments of the Compartment are:

- to promote sustained, shared and sustainable economic growth, full and productive employment and decent work for all;
- to promote sustainable management and use of natural resources, to halve global per capita food waste and to substantially reduce waste generation;
- to strengthen resilience and adaptation capacity to climate related disasters; and
- to substantially reduce corruption and bribery.

Those objectives are based on the four Sustainable Development Goals of the United Nations below:

- SDG 8: Decent Work & Economic Growth;
- SDG 12: Responsible Consumption & Production;
- SDG 13: Climate Action; and
- SDG 16: Peace, Justice and Strong Institutions.

The Investment Manager based its methodology on the UN SDG's module of Clarity which scores companies on a scale from 0 to 100. For a company to be considered as contributing positively to the sustainable investment, it must have a score of minimum 60 for at least one of the four SDG's and it must not be considered as clearly below average (score < 25) compared to the other 3 SDGs. For active funds and ETFs, the Investment Manager analyses companies' SDGs scores based on the composition of their portfolio in full lookthrough.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

For a company to be considered as sustainable investment, it must not simply contribute positively to at least one of the characterized SDGs, it must also not

be considered clearly below average regarding the other three SDGs.

Moreover, the Investment Manager also considers the principal adverse impact indicators to verify that the sustainable investments do not cause significant harm. Indeed, to be considered as sustainable investments, issuers must not show evidence of, among others, the PAI indicators as described below and other activities detailed in the binding elements section.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The indicators for principal adverse impacts are taken into account to verify that the sustainable investments that the Compartment intends to make do not cause significant harm to any environmental or social sustainable investment objective. In particular, the following principal adverse impacts indicators are considered:

- GHG emissions;
- Carbon footprint;
- GHG intensity of investee companies;
- Exposure to companies active in the fossil fuel sector;
- Share of non-renewable energy consumption and production;
- Energy consumption intensity per high impact climate sector;
- Activities negatively affecting biodiversity sensitive areas;
- Emissions to water;
- Hazardous waste and radioactive waste ratio;
- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
- Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME;
- Unadjusted gender pay gap;
- Board gender diversity;
- Exposure to controversial weapons.

In addition to the abovementioned mandatory indicators, the following optional indicators are taken into account:

- Investments in companies without carbon emission reduction initiatives; and
- Lack of anti-corruption and anti-bribery policies.

Moreover, main negative impact indicators are taken into account by the exclusion and best-in-class processes implemented when building the investment universe from which the Investment Manager chooses the Compartment's investments. Indeed, to be admitted in the portfolio, large cap companies must be part of the MSCI Selection indices. Compared to the so-called "Standard" indices, which include the largest companies in each sector, the ESG indices already exclude 50% of the worst performers in terms of environmental, social and governance criteria, which already

eliminates a very significant part of possible negative effects of the portfolio.

Moreover, in order to be members of the MSCI Selection Index, companies cannot have very severe ongoing controversies. Indeed, the analysis of controversies is an integral part of the MSCI Selection index methodologies. MSCI analyses each company according to the "MSCI Controversies Score Eligibility" in order to identify companies facing serious controversies in terms of environmental, social or governance impact, due to their mode of operation, their products or even of their services. This score has been designed to be consistent with international standards such as the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the United Nations Global Compact.

This score is based on indicators such as:

- biodiversity and land use;
- toxic emissions and waste;
- energy and climate change;
- water shortage;
- operational waste;
- impact on local communities;
- human rights concerns;
- corruption and fraud;
- governance structure;
- etc.

— — — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

All companies in which the Compartment invests must pass the exclusion process which exclude all companies direct involvement in very severe ongoing controversies which contradict global norms and conventions such as the UN Global Compact, the ILO conventions, and the like.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes.
- ☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Compartment follows a best-in-class strategy. In order to pursue this strategy, the Compartment invests in assets with above average ESG scores. This is obtained through the combination of a best-in-class selection approach and an exclusion policy. Furthermore, the Investment Manager applies a selection approach based on the information coming from reputable external sources such as MSCI, Nordea, Norges Bank and Financité.

- *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

The investment strategy of the Compartment has the following binding elements to select the investments to attain the promoted environmental or

social characteristics:

Best-in-class approach:

For large cap companies (which are members of the MSCI “Standard” index), these companies must also be a member of the MSCI Selection index of the region to be allowed in the investible universe. In the case where MSCI’s classification does not seem in line with other leading providers, additional analysis will be performed by the Investment Manager.

For small and mid-cap companies the Investment Manager will evaluate if a company fits into the investment universe using data for ESG data providers or, in the absence of reliable data, by performing an in-house analysis based on the corporate sustainable report and any other documentation available from the company or other reputable sources.

The evaluation of sovereign bonds is done via an inhouse analysis based on public data from reputable sources such as the UN, the Worldbank or international NGO’s.

In order to be eligible, active funds and ETFs should pass at least one of the below mentioned criteria

- label from a reputable label agency such as Towards Sustainability or Luxflag;
- an ESG rating of at least BBB from MSCI Selection fund rating; and/or
- at least three “globes” from Morningstar.

On top of the criteria mentioned above, indexed funds/ETF should be indexed on an MSCI Selection /SRI index from the respective region or a similar ESG/SRI Index from an equivalent index provider.

Investments already present in the Compartment that no longer pass the screening process must be sold within 3 months on a best effort basis . This negative screening of the existing portfolio is done by the Investment Manager bi-annually for large cap bond and equity investments and annually for investments in small cap equity and bond investments, for government bonds and for investments in third party funds and ETF’s.

In case there would be news reports on a (very) significant controversy on a potential investment which is not excluded (yet) in the negative screening, the Investment Manager will refrain from investing in this asset awaiting the updated screening. In case of news reports on a potential very significant controversy on a company or country already in the portfolio, the Investment Manger shall decide whether the controversy is effectively to be considered as (very) significant and in such case, all investments in such asset must be sold within the 3 months on a best effort basis following the decision.

Exclusions:

The Investment Manager uses a combination of different elements for exclusions:

- (1) The first consists of norms-based exclusions such as:

- a. companies with direct involvement in very severe ongoing controversies which contradict global norms and conventions such as the UN Global Compact, the ILO conventions, and the like; and
 - b. debt issued by countries or their state-owned companies which the Investment Manager considers controversial. They define these as countries with (a) high levels of corruption, (b) fundamental breaches in human rights, (c) a complete lack of political freedom and (d) countries subject to international sanctions or under an “asset freeze” from the European Union.
- (2) In addition to the above-mentioned norms-based exclusions, the Investment Manager will seek to restrict investments in the following:
- a. companies that derive more than 5% of their revenues from:
 - i. the production of tobacco;
 - ii. thermal coal mining and unconventional oil and gas extraction; and
 - iii. thermal coal-based power generation.
 - b. companies that derive 10% or more of their revenues from:
 - i. the production of weapons;
 - ii. ownership or operation of nuclear power plants;
 - iii. the production of alcohol; and
 - iv. the ownership or operation of gambling-related business activities.

The Investment Manager will also restrict investing (directly or indirectly) in soft or hard commodities with an exception on precious metals.

● *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The implementation of the selection criteria leads to the exclusion of 50% of the total investment universe.

● *What is the policy to assess good governance practices of the investee companies?*

Good governance practices are an integral part of the best-in-class selection process for inclusion in the MSCI Selection indices. They are also part of the process at S&P and Sustainalytics.

The MSCI Corporate Governance Score is an absolute assessment of a company’s governance that utilizes a universally applied 0-10 scale. Each company starts with a “perfect 10” score and scoring deductions are applied based on the assessment of key metrics. The MSCI Corporate Governance Score is derived from the raw score which is calculated as the sum of points associated with the key metrics. The 96 underlying key metrics are grouped into four

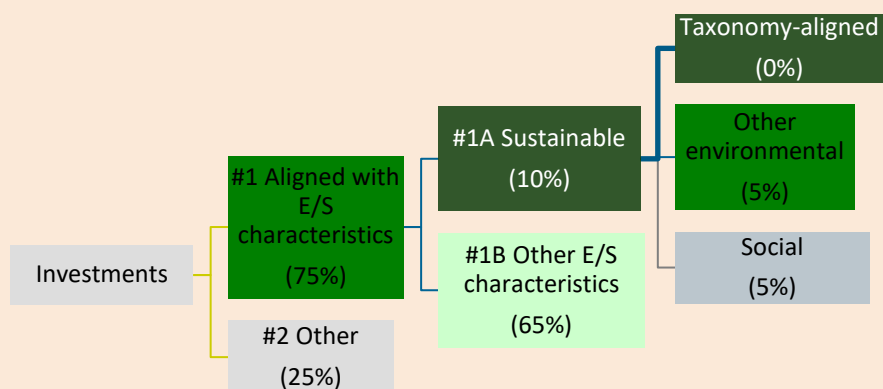
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

issues: (i) board, (ii) pay, (iii) ownership & control and (iv) accounting.

- Board: the board theme is scored primarily on the basis of the board's independence from management, and on various measures of board experience and effectiveness. Negative governance-related events such as bankruptcies; securities fraud litigation or regulatory investigations; delisting threats are included in this section. While not generally applicable to a majority of companies, and thus not assigned a separate component ranking, these event metrics may have a significant impact on a company's overall governance ranking.
- Pay: CEO and other executive pay practices are evaluated for all companies, including specific pay figures, where disclosed. Pay is scored primarily based on levels of pay relative to peers, as well as specific features of the pay program design. Reflecting the varying levels of disclosure across markets, pay rankings are designed to prevent companies with poor disclosure from being rewarded.
- Ownership & control: the ownership & control theme evaluates the following: (1) concerns regarding the company's ownership structure, including the presence of controlling shareholders, differential voting rights across multiple share classes, and majority voting provisions; (2) takeover defences such as poison pills, classified boards, and other provisions affecting the ability of shareholders to accept an attractive bid for a company, with special emphasis placed on multiple defences; (3) shareholder rights that enable investors to act collectively, such as rights to call special meetings or act by written consent; (4) provisions impeding shareholder rights, such as limitations on voting rights and the ability of shareholders to approve charter and bylaw amendments.
- Accounting: the accounting theme evaluates corporate transparency and the reliability of reported financials as an aspect of corporate governance.



What is the asset allocation planned for this financial product?



#1 ALIGNED WITH E/S CHARACTERISTICS INCLUDES THE INVESTMENTS OF THE FINANCIAL PRODUCTS USED TO ATTAIN THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THE FINANCIAL PRODUCT.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 Aligned with E/S characteristics: 75% of the investments (taking into consideration long positions) are aligned with the environmental or social characteristics promoted by the Compartment.

#1A Sustainable: minimum 10% are sustainable investments with environmental objectives and with social objectives.

#1B Other E/S characteristics: maximum 65% investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Should the Compartment use derivatives, they will not be used to attain the environmental or social characteristics promoted by the Compartment.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

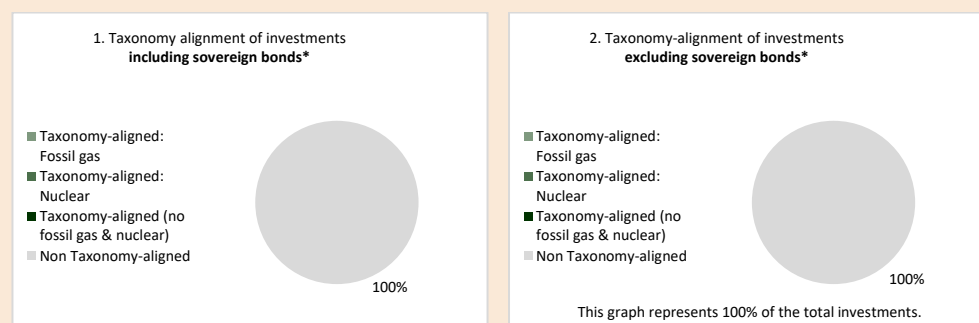
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Compartment commits to making a minimum of 5% of the Compartment's net assets aligned with sustainable investments with an environmental and/or social objective.



What is the minimum share of socially sustainable investments?

The Compartment commits to making a minimum of 5% of the Compartment's net assets aligned with sustainable investments with an environmental and/or social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

“#2 Other” can include

- cash and Cash Equivalents;
- derivatives on non-sustainable indices, which are used as no sufficient

liquid sustainable alternative is available for the time being and being used for hedging reasons

- investments under ESG review; and
- investments which are no more in line with ESG criteria in place and which should be sold within the next 3 months on a best effort basis.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this Compartment.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://assetservices.group.pictet/asset-services/fund-library/lu/en/financial-intermediary/funds>

16. PROTEA FUND – VARIUS PATRIMOINE

Investors' profile

- 16.1 The compartment Protea Fund – Varius Patrimoine (the “Compartment”) is a medium risk vehicle aiming to provide both capital growth and risk spreading over the long term. It may be suitable for investors who are seeking long term growth potential offered through an exposure to the equities markets and bonds markets. Hence it requires an investment horizon of at least 5 years.
- 16.2 There can be no guarantee that the Compartment’s objective will be achieved.
- 16.3 The Compartment is actively managed. The Compartment has no benchmark index and is not managed in reference to a benchmark index.

Objectives and investment policy

- 16.4 The Compartment will mainly invest in debt securities of any type (including Money Market Instruments), and equities and equity related securities (among other subscription rights, closed-ended REITs up to 10% of the net assets, and global depositary receipts).
- 16.5 The Compartment promotes among other characteristics, environmental or social characteristics or a combination thereof, within the meaning of article 8 of SFDR but does not have a sustainable investment objective. The investee companies in which the Compartment invests will follow good governance practices based on such policies which are further detailed in Annex 1 of this Compartment’s appendix (the “Annex”).
- 16.6 The Investment Manager uses a variety of sustainability indicators to attain the promotion of the environmental and social characteristics. For more details about the ESG methodology and restrictions, please refer to the pre-contractual disclosure included in the Annex.
- 16.7 The Compartment will have a focus on countries, companies and organisations which contribute to sustainable development, covering the ESG criteria. Meaning that under normal market conditions, ESG investments will represent at least 75% of the Compartment’s portfolio (assets excluding cash and Cash Equivalents).
- 16.8 In order to achieve its objective, the Compartment will invest:
 - (a) directly in the securities/asset classes mentioned in Section 16.4; and/or
 - (b) in UCIs (UCITS, including UCITS ETFs, and/or other UCIs referred to in Section 23.3(e) of the main body of the Prospectus), having as main objective to invest or grant an exposure to the abovementioned securities/asset classes.
- 16.9 The proportion of assets devoted to each asset class varies over time. However, without being a constraint, the Investment Manager intends to have an exposure (via direct and in indirect investments):
 - (a) of maximum of 65% of the Compartment’s net assets to the equity asset class; and

(b) between 20% and 65% of the Compartment's net assets to the debt securities asset class.

- 16.10 The choice of investments will neither be limited by geographical area (except emerging markets limited to 20% of the Compartment's net assets), economic sector, currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 16.11 On an ancillary basis, the Compartment may invest in other UCIs than those above-mentioned and structured products (as described below).
- 16.12 The Compartment may invest in structured products with or without embedded derivatives in accordance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, such as, but not limited to, credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, equities, bonds, an index (including indices on volatility, commodities, precious metals, etc.) selected in accordance with the article 9 of the Grand-Ducal Regulation, currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI, at all times in compliance with the Grand-Ducal Regulation.
- 16.13 In compliance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. The exposure to those investments will be marginal, and it may not be used to elude the investment policy of the Compartment.
- 16.14 For hedging and for investment purposes, within the limits set out in Section 23 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. The Compartment may take exposure through any financial derivative instruments such as but not limited to futures, options, contracts for difference, swaps and forwards on underlyings in line with the 2010 Act and any other related regulation as well as with the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, Transferable Securities, basket of Transferable Securities, indices (including volatility indices) and UCITS (including UCITS ETFs) and other UCIs.
- 16.15 Nevertheless, under normal market conditions, the Investment Manager intends to use listed options and futures offering an exposure to equities or debt securities and currency derivatives (such as forward foreign exchange contracts).
- 16.16 It is understood that:
- (a) As the investment policy can be achieved via UCIs, the Compartment can at any time invest more than 50% of its net assets in UCIs (UCITS, including UCITS ETFs, and/or other UCIs referred to in Section 23.3(e) of the main body of the Prospectus). It may result in duplication of certain costs. In addition to the costs borne by the Compartment as part of its daily management, management fees will be indirectly levied via the target UCIs that it holds. The management fees of the target UCIs will be limited to a maximum of 2%.

- (b) The Compartment can be exposed to investment-grade debt securities up to 65% of the Compartment's net assets and non-investment grade debt securities up to 20% of the Compartment's net assets (including non-rated debt securities), in proportions that will vary according to financial market conditions and investment opportunities. However, the compartment will not invest directly in distressed or defaulted securities. It is understood that, in the event of downgrading in the credit ratings of a security or an issuer to distressed or defaulted, the Compartment may, at the discretion of the Investment Manager, and in the best interests of the Compartment's unitholders, continue to hold those debt securities which have been downgraded, provided that in any case the Compartment's maximum exposure to distressed or defaulted securities will be limited to a maximum of 5% of its net assets.
- (c) The Compartment may also invest directly up to 10% of its net assets in Contingent Convertible Bonds.
- (d) The Compartment will not invest directly in ABS and MBS.

16.17 The Compartment will not use SFTs nor TRS.

16.18 **In accordance with SFDR RTS, further information related to environmental and/or social characteristics is available in the Annex.**

SFDR

16.19 The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision making processes. The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process. If one or more Sustainability Risks crystallise, there may be a negative impact on the value of the Compartment, and therefore returns to investors and performance of the Compartment. However, the Compartment has a diligent approach in place to seek to mitigate the impact of Sustainability Risk on its returns, including (among other things) by integrating the consideration of such risks into its investment decision-making process, and through monitoring and management where relevant, in each case, as described herein and in the Annex.

Taxonomy Regulation

16.20 In the context of the Taxonomy Regulation, in view of its ESG strategy, the Compartment promotes environmental characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation. As a consequence thereof, the "do not significant harm" principle does not apply to the investments underlying the Compartment.

Risk considerations specific to the Compartment

16.21 The assets of the Compartment are subject to market fluctuations and the risks inherent to any investment in bonds and equities. Please refer to the Section 16 headed "Risk considerations" above for further details in this connection.

Global risk exposure

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

Performance

- 16.23 The performance scenarios of the Compartment will be disclosed in the KID of the Compartment. In this connection, investors should note that past performance is not necessarily a guide to future performance. Investors may not get back the full amount invested, as prices of Shares and the income from them may fall as well as rise.

Categories of Shares

16.24

Name of the Category of Shares	A Cap	A Dis
Reference Currency	EUR	EUR
Eligible investors	Retail investors	Retail investors
Distribution/ Accumulation	Accumulation	Distribution
Initial Subscription Price	100	100
Minimum Initial Subscription	100	100
Minimum Holding Amount	100	100
Subscription Fee	N/A	N/A
Redemption Fee	N/A	N/A
Conversion Fee	N/A	N/A
Investment Management Fee	0.30%	0.30%

Reference Currency

- 16.25 The Reference Currency is the EUR.

Management of the Compartment

- 16.26 The Management Company has appointed Orcadia Asset Management S.A. whose registered office is at 13, rue de l'Industrie, L-8399 Windhof, Grand Duchy of Luxembourg as Investment Manager to manage the investments of the Compartment, under the terms of the Investment Management Agreement.

Frequency of calculation of NAV

- 16.27 Each Business Day is a Pricing Day. The Net Asset Value of the Compartment shall be calculated one Business Day following the Pricing Day (the "Calculation Day").

Payment of the subscription price or redemption price

Cut-off	Subscription: 1 p.m. Luxembourg time, one Business Day prior to the Pricing Day Redemption: 1 p.m. Luxembourg time, one Business prior to the Pricing Day Conversion: 1 p.m. Luxembourg time, one Business Day prior the Pricing Day
Pricing Day	Each Business Day
Calculation Day	One Business day following the Pricing Day
Settlement Day	Subscription: within 2 Business Days after the relevant Pricing Day Redemption: within 2 Business Days after the relevant Pricing Day Conversion: within 2 Business Days after the relevant Pricing Day

Management and performance fee specific to this Compartment

- 16.28 The Fund will pay to the Investment Manager a management fee of up to 0.30% per annum.
- 16.29 The investment management fee will be calculated, on a daily basis, in arrear, on the average net assets of the relevant category of Shares and will be payable quarterly in arrears.

Donation

- 16.30 The Board may, upon recommendation from the Investment Manager, make an annual donation (*libéralité*) to one or more public interest foundations domiciled in a member state of the European Economic Area. The information on the foundation(s) receiving the donation as well as the amount of each donation will be disclosed in the Company's annual report.
- 16.31 The donation may only be made if the following two conditions are cumulatively met:
- (a) the NAV of the Compartment on the closing date of the relevant financial year is higher than the NAV on the closing date of the previous financial year, including the potential donation determined for that financial year and before any dividend distributions (in the case of interim dividends, the nominal amount thereof shall be added to the NAV of the relevant financial year, the "Reference NAV"). The calculation of the donation is based on the average net assets of each share class during the relevant financial year. The first Reference NAV shall correspond to the NAV of the Calculation Day to be determined by the Board when setting the initial subscription period⁸ and the relevant financial year shall be ending on 31 December 2022; and
 - (b) the amount of the donation will not represent more than the performance of the NAV calculated as in point (a) above with an absolute maximum of 0.125% of the net assets of the Compartment at the closing date of the relevant financial year.

Initial Subscription Period

- 16.32 From 14 September 2022 to 23 September 2022 at the Initial Subscription Price per Share as described under Section 16.27 above.
-

ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Protea Fund –Varius Patrimoine
(the “Compartment”)

Legal entity identifier:
213800WBM272A6TMA193

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** ____%

☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager aims to promote a broad range of environmental and social characteristics that the underlying investments of the Compartment may be exposed to.

Examples of the environmental and social characteristics promoted by the Compartment are:

- Environmental:
 - be an above average contributor to the reduction of carbon emissions in its production processes or contributing to this goal by the products or solutions the company offers;
 - reduction in water stress, efficient raw material sourcing;
 - be an above average contributor to the reduction in (toxic) waste, packaging materials and the like or by offering products that contribute to achieving this goal; and
 - opportunities in clean tech / renewable energy / green building and the like.
- Social:
 - respect for labour laws;
 - offering customers access to finance, healthcare and communications in an affordable way; and
 - respect for diversity and equality between the sexes.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this Compartment.

● *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*

The Investment Manager uses a variety of sustainability indicators to measure the attainment of the promotion of the environmental and social characteristics, including the following:

- revenues from weapons;
- revenues from tobacco;
- revenues from oil & gas independently of it being “traditional” or unconventional;
- revenues from coal independently of it being “traditional” or unconventional
- revenues from thermal coal mining and from thermal coal-based power generation;
- revenues from nuclear;
- revenues from alcohol;
- revenues from gambling;
- absence of direct involvement in very severe ongoing controversies which contradict global norms and conventions such as the United Nations (UN) global compact, the ILO conventions, the UNGP’s and the OECD guidelines for multinational companies; and
- overall ESG score(s) provided by leading ESG providers.

● *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

Not applicable.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, _____

☒ No

What investment strategy does this financial product follow?

The Compartment follows a best-in-class strategy.

In order to pursue this strategy, the Compartment invests in assets with above average ESG scores. This is obtained through the combination of a best-in-class selection



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

approach and an exclusion policy.

Furthermore, the Investment Manager applies a selection approach based on the information coming from reputable external sources such as MSCI, Nordea, Norges Bank and Financité.

- *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

The investment strategy of the Compartment has the following binding elements to select the investments to attain the promoted environmental or social characteristics:

Best-in-class selection approach

For large cap companies (which are members of the MSCI “Standard” index), these companies must also be a member of the MSCI Selection index of the region to be allowed in the investible universe. In the case where MSCI’s classification does not seem in line with other leading providers, additional analysis will be performed by the Investment Manager.

For small and mid-cap companies the Investment Manager will evaluate if a company fits into the investment universe using data for ESG data providers or, in the absence of reliable data, by performing an in-house analysis based on the corporate sustainable report and any other documentation available from the company or other reputable sources.

The evaluation of sovereign bonds is done via an inhouse analysis based on public data from reputable sources such as the UN, the Worldbank or international NGO’s.

In order to be eligible, active funds and ETFs should pass at least one of the below mentioned criteria

- label from a reputable label agency such as Towards Sustainability or Luxflag;
- an ESG rating of at least BBB from MSCI Selection fund rating; and/or
- at least three “globes” from Morningstar.

On top of the criteria mentioned above, indexed funds/ETF should be indexed on an MSCI Selection /SRI index from the respective region or a similar ESG/SRI Index from an equivalent index provider.

Investments already present in the Compartment that no longer pass the screening process must be sold within 3 months on a best effort basis. This negative screening of the existing portfolio is done by the Investment Manager bi-annually for large cap bond and equity investments and annually for investments in small cap equity and bond investments, for government bonds and for investments in third party funds and ETF’s.

In case there would be a news reports on a (very) significant controversy on

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

a potential investment which is not excluded (yet) in the negative screening, the Investment Manager will refrain from investing in this asset awaiting the updated screening. In case of news reports on a potential very significant controversy on a company or country already in the portfolio, the Investment Manager shall decide whether the controversy is effectively to be considered as (very) significant and in such case, all investments in such asset must be sold within the 3 months on a best effort basis following the decision.

Exclusions:

The Investment Manager uses a combination of different elements for exclusions:

- (1) The first consists of norms-based exclusions such as:
 - a. companies with direct involvement in very severe ongoing controversies which contradict global norms and conventions such as the UN Global Compact, the ILO conventions, and the like; and
 - b. debt issued by countries or their state-owned companies which the Investment Manager considers controversial. They define these as countries with (a) high levels of corruption, (b) fundamental breaches in human rights, (c) a complete lack of political freedom and (d) countries subject to international sanctions or under an “asset freeze” from the European Union.
- (2) In addition to the above-mentioned norms-based exclusions, the Investment Manager will seek to restrict investments in the following:
 - a. companies that derive more than 5% of their revenues from:
 - i. the production of tobacco;
 - ii. thermal coal mining and unconventional oil and gas extraction; and
 - iii. thermal coal-based power generation.
 - b. companies that derive 10% or more of their revenues from:
 - i. the production of weapons;
 - ii. ownership or operation of nuclear power plants;
 - iii. the production of alcohol; and
 - iv. the ownership or operation of gambling-related business activities.

The Investment Manager will also restrict investing (directly or indirectly) in soft or hard commodities with an exception on precious metals.

- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The implementation of the selection criteria leads to the exclusion of 50% of the total investment universe.
- *What is the policy to assess good governance practices of the investee companies?*

Good governance practices are an integral part of the best-in-class selection process for inclusion in the MSCI Selection indices. They are also part of the process at S&P and Sustainalytics.

The MSCI Corporate Governance Score is an absolute assessment of a company's governance that utilizes a universally applied 0-10 scale. Each company starts with a "perfect 10" score and scoring deductions are applied based on the assessment of key metrics. The MSCI Corporate Governance Score is derived from the raw score which is calculated as the sum of points associated with the key metrics. The 96 underlying key metrics are grouped into four issues: (i) board, (ii) pay, (iii) ownership & control and (iv) accounting.

- Board: the board theme is scored primarily on the basis of the board's independence from management, and on various measures of board experience and effectiveness. Negative governance-related events such as bankruptcies; securities fraud litigation or regulatory investigations; delisting threats are included in this section. While not generally applicable to a majority of companies, and thus not assigned a separate component ranking, these event metrics may have a significant impact on a company's overall governance ranking;
- Pay: CEO and other executive pay practices are evaluated for all companies, including specific pay figures, where disclosed. Pay is scored primarily based on levels of pay relative to peers, as well as specific features of the pay program design. Reflecting the varying levels of disclosure across markets, pay rankings are designed to prevent companies with poor disclosure from being rewarded;
- Ownership & control: the ownership & control theme evaluates the following: (1) concerns regarding the company's ownership structure, including the presence of controlling shareholders, differential voting rights across multiple share classes, and majority voting provisions; (2) takeover defences such as poison pills, classified boards, and other provisions affecting the ability of shareholders to accept an attractive bid for a company, with special emphasis placed on multiple defences; (3) shareholder rights that enable investors to act collectively, such as rights to call special meetings or act by written consent; (4) provisions impeding shareholder rights, such as limitations on voting rights and the ability of shareholders to approve charter and bylaw amendments;

Accounting: the accounting theme evaluates corporate transparency and the reliability of reported financials as an aspect of corporate governance.

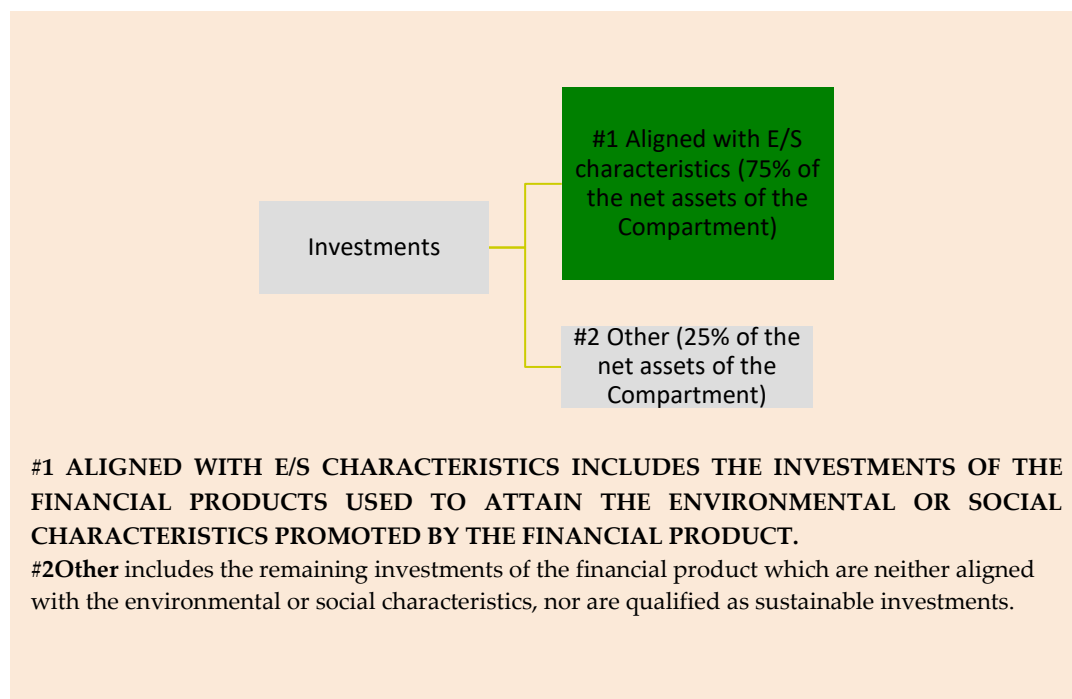


What is the asset allocation planned for this financial product?

The Investment Manager is planning to invest at least 75% of the Compartment's net assets in investments aligned with the environmental or social characteristics promoted by the Compartment or a combination thereof.

The Investment Manager is planning to invest a maximum of 25% of the Compartment's net assets in investments which will not be aligned with the environmental or social characteristics promoted by the Compartment.

Asset allocation describes the share of investments in specific assets.



- *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Should the Compartment use derivatives, they will not be used to attain the environmental or social characteristics promoted by the Compartment.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

☐

Yes:

☐

In fossil gas

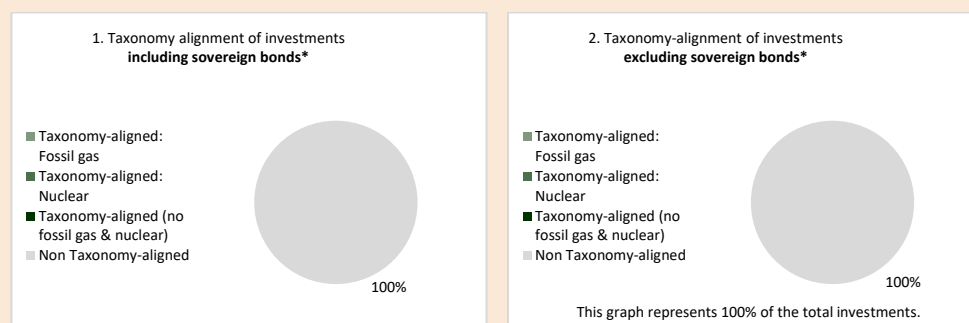
☐

In nuclear energy

☒

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures**

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

“#2 Other” can include

- cash and Cash Equivalents;
- derivatives on non-sustainable indices, which are used as no sufficient liquid sustainable alternative is available for the time being and being used for hedging reasons;
- investments under ESG review; and
- investments which are no more in line with ESG criteria in place and which should be sold within the next 3 months on a best effort basis.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this Compartment.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://assetservices.group.pictet/asset-services/fund-library/lu/en/financial-intermediary/funds>