PROSPECTUS

LFIS Vision UCITS

Société d'Investissement à Capital Variable – SICAV
with multiple Sub-Funds
Incorporated under Luxembourg law

1 September 2016

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 the Prospectus is the legal and binding version.

IMPORTANT INFORMATION

The Directors of the Fund, whose names appear on page 5 hereafter, are the persons responsible for the information contained in the prospectus of the Fund (the "Prospectus"). 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 the Prospectus is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

The shares of the Fund (the "Shares") are offered solely on the basis of the information and representations contained in the Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Board of Directors. Neither the delivery of the 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 Shares may be listed on the Luxembourg Stock Exchange. The Board of Directors of the Fund may decide to make an application to list the Shares on any other recognised stock exchange.

Subscriptions can only be received on the basis of the Prospectus and the relevant key investor information document. The latest available annual report and the latest semi-annual report, if published thereafter shall be deemed to form part of the Prospectus.

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 Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the "Law"). The above registrations do not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful.

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

The 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: The Shares have not been registered under the United States Securities Act of 1933 (the "1933 Act"), and the Fund has not been registered under the United States Investment

Company Act of 1940 (the "1940 Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to US Persons (as defined hereafter) except to certain qualified U.S. institutions in reliance on certain exemptions from the registration requirements of the 1933 Act and the 1940 Act and with the consent of the Fund. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The Fund's articles of incorporation restrict the sale and transfer of Shares to US Persons and the Fund may compulsorily redeem Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to ensure compliance with the 1933 Act and the 1940 Act or any other applicable United States legislation defining/expending the scope of the definition of US Person.

Data protection: Pursuant to data protection law applicable in Luxembourg (including, but not limited to, the Luxembourg Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data, as amended from time to time), the Fund, the Management Company, the Administrator, the Depositary and/or the Investment Manager (collectively the "Entities") may collect and process personal data from an investor from time to time for the purpose of managing the business relationship between the Fund and the relevant investor, including the processing of subscriptions and redemption orders, the keeping of shareholders' register of the Fund and the provision of financial and other information to the shareholders, carrying out the services provided by the Entities as well as to comply with applicable legislations or regulations including but not limited to anti-money laundering legislation, FATCA regulations, legislation for the purpose of application of the CRS Law (as defined in the section "TAXATION") or similar laws and regulations (e.g. at OECD or EU level).

By subscribing, converting or redeeming Shares of the Fund, investors consent to the use of personal data by the Entities. The Entities may disclose personal data to third parties mainly, their agents, service providers or governmental or regulatory bodies if required to do so by force of law or regulatory authority. Investors will upon written request be given access to their personal data provided to the Entities. Investors may request in writing the rectification of, and the Fund and the Administrator will upon written request rectify, personal data. All personal data will not be held by the Entities for longer than necessary with regard to the purpose of the data processing.

The Entities may need to disclose personal data to entities located in jurisdictions outside the EU, which may not have data protection legislation equivalent to that of Luxembourg. Any such transfer shall be done in compliance with Luxembourg data protection legislation in respect of personal data and for the purposes mentioned above.

Generally: the above information is for general guidance only, and it is the responsibility of any person or persons in possession of the Prospectus and wishing to make an 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.

If you are in any doubt about the contents of the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.
The Prospectus has been drafted in English. It may be translated into any other language the Board of Directors may deem useful and such translations must only contain the information contained in this English version. In case of divergences between the English and the translated version, the English version shall prevail.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise its/her/his investor rights directly against the Fund if the investor is registered himself and in its/her/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 its/her/his 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. Investors are advised to take advice on their rights.

DIRECTORY

LFIS Vision UCITS

Registered Office
60, avenue J.F. Kennedy
L - 1855 Luxembourg
Grand Duchy of Luxembourg

Board of Directors
<u>Chairman</u>
Pierre Lasserre, chairman of the supervisory board of *La Française Investment Solutions* and chairman of the supervisory board of *La Française Bank (Luxembourg)*
<u>Directors</u>
Alain Gerbaldi, Member of the supervisory board of *La Française AM International*
Sofiane Haj-Taieb, General Director of *La Française Investment Solutions*
Christophe Arnould, Independent Director

Management Company
La Française Investment Solutions
128, boulevard Raspail
F-75006 Paris
France

Depositary, Paying Agent and Domiciliary Agent
BNP Paribas Securities Services, succursale de Luxembourg
60, avenue J.F. Kennedy
L - 1855 Luxembourg
Grand Duchy of Luxembourg

Administrative Agent and Registrar and Transfer Agent
BNP Paribas Securities Services, succursale de Luxembourg
60, avenue J.F. Kennedy
L - 1855 Luxembourg
Grand Duchy of Luxembourg

Investment Manager
La Française Investment Solutions
128, boulevard Raspail
F-75006 Paris
France

Auditor
PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
L-2182 Luxembourg
Grand Duchy of Luxembourg

Legal Advisers in Luxembourg
Elvinger Hoss Prussen
2, place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

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DEFINITIONS

"Administrator"	BNP Paribas Securities Services succursale de Luxembourg, acting as administrative agent of the Fund;
"Appendix"	An appendix to the Prospectus containing information with respect to a particular Sub-Fund;
"Articles"	The Articles of Incorporation of the Fund as amended from time to time;
"Business Day"	A full day (not being a Saturday or Sunday or a public holiday) on which banks are open for business in Luxembourg;
"Classes"	Pursuant to the Articles, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different sale or redemption charge structure, fee structure, minimum subscription amount, currency or dividend policy may be applied. If different Classes are issued within a Sub-Fund, the details of each Class will be described in the relevant Sub-Fund's Appendix;
"CSSF"	*Commission de Surveillance du Secteur Financier*, the Luxembourg authority for the supervision of the financial sector;
"Cut-off time"	A particular point in time specified in the Prospectus. Requests for subscription, conversion or redemption of Shares received no later than the specified Cut-off time will be dealt with at the appropriate Net Asset Value per Share calculated on the relevant Valuation Day. Requests received after the Cut-off time shall be processed on the next following Valuation Day;
"Depositary"	BNP Paribas Securities Services, succursale de Luxembourg, acting as depositary of the Fund;
"Directive 2009/65/EC"	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended;
"Directors" or "Board of Directors"	The members of the board of directors of the Fund for the time being and any successors to such members as they may be appointed from time to time;

"Distributor"	Any entity appointed by the Management Company and the Fund for the placement of the Fund's Shares;
"Domiciliary Agent"	BNP Paribas Securities Services, succursale de Luxembourg, acting as domiciliary agent;
"EU"	European Union;
"Eligible State"	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania;
"FATCA"	The Foreign Account Tax Compliance Act as enacted by the United States Congress in March 2010;
"Fund"	LFIS Vision UCITS;
"IGA"	The agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to the United Sates information reporting provisions commonly known as the Foreign Account Tax Compliance Act, dated 28 March 2014 and any transposition thereof into Luxembourg law.;
"Ineligible Applicant"	An ineligible applicant as described under "Subscriptions";
"Initial Offering Period"	The period determined by the Board of Directors during which Shares are offered for subscription at a fixed price as determined by the Board of Directors in their sole discretion;
"Institutional Investor"	An investor qualifying as an institutional investor within the meaning of the Law;
"Investment Manager"	Such entity as may be appointed from time to time to manage the assets of a Sub-Fund and disclosed in the relevant Appendix;
"Key Investor Information Documents" or "KIIDs"	The key investor information document(s) as defined by the Law and applicable regulations, as may be amended from time to time;
"Management Company"	La Française Investment Solutions S.A.;
"Member State"	A Member State as defined in the Law;
"Minimum Holding Amount"	The minimum value of a holding of a Shareholder in a Sub-Fund/Class as defined per Sub-Fund/Class in the relevant Appendix, if any;

"Minimum Subscription Amount"	The minimum value of the first subscription of an investor in a Sub-Fund/Class as defined per Sub-Fund/Class in the relevant Appendix;
"Minimum Subsequent Subscription Amount"	The minimum value of subsequent subscription of a Shareholder in a Sub-Fund/Class as defined per Sub-Fund/Class in the relevant Appendix, if any;
"Money market instruments"	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time;
"Net Asset Value"	The net asset value of the Fund, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles;
"Net Asset Value per Share"	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class;
"OECD"	Organisation for Economic Cooperation and Development;
"Paying Agent"	BNP Paribas Securities Services, succursale de Luxembourg, acting as paying agent;
"Redemption Charge"	A charge not exceeding the percentage of the Redemption Price disclosed in the relevant Appendix that may be applied to redemptions of Shares;
"Redemption Price"	The price based on the Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Registrar and Transfer Agent"	BNP Paribas Securities Services, succursale de Luxembourg, acting as registrar and transfer agent;
"Regulated Market"	A market within the meaning of Article 4.1.14 of directive 2004/39/EC or any directive updating or replacing directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State;
"Share"	A share of no par value of any Class of any Sub-Fund in the Fund;
"Shareholder"	A person recorded as a holder of Shares in the Fund’s register of shareholders;

"Specified US Person"	A US Person, within the meaning of FATCA, other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organisation exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code;
"Sub-Fund"	A separate portfolio of assets for which a specific investment policy (subject to the general restrictions which are applicable to the Fund and any Sub-Fund) applies;
"Subscription Charge"	A sales commission for the benefit of the Distributors and/or financial intermediaries not exceeding the percentage of a fixed price during the Initial Offering Period as detailed for each Sub-Fund/Class in the relevant Appendix or the Subscription Price disclosed in the relevant Appendix;
"Subscription Price"	The price based on the Net Asset Value per Share, as calculated as of the relevant Valuation Day;

"Transferable securities"	Shall mean: - shares in companies and other securities equivalent to shares in companies ("shares"), - bonds and other forms of securitised debt ("debt securities"), - any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange. For the purposes of this definition, the techniques and instruments referred to in Article 42 of the Law do not constitute transferable securities;
"UCITS"	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to Directive 2009/65/EEC, as may be amended;
"Other UCI"	An Undertaking for Collective Investment within the meaning of the first and second indents of Article 1 (2) of Directive 2009/65/EEC, as may be amended;
"United States" or "US"	The United States of America and any of its territories, possessions and other areas subject to its jurisdiction;
"US Person"	The term "US Person" shall have the same meaning as in (i) Regulation S of the 1933 Act, as amended; (ii) as defined in CFTC rule 4.7 and/or (iii) as defined in any other applicable law, regulation or rule (including but not limited to FATCA). The Board of Directors may further define the term "US Person";
"Valuation Day"	Any day as defined per Sub-Fund in the relevant Appendix.

All references to a Class shall, where no Classes have been created within a Sub-Fund, be deemed to be references to the Sub-Fund.

In the Prospectus all references to "USD" and "US$" are to the United States Dollars, "GBP" and "£" are to Great Britain Pounds Sterling, "CHF" are to the Swiss Franc and all references to "Euro" and "€" are to the Single European Currency.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Investment Objectives and Policies

The objective of the Fund is to invest in transferable securities and other eligible assets in order to provide returns to investors.

The specific investment objective and policy for each Sub-Fund is disclosed in the relevant Appendix.

The Board of Directors is entitled to create new Sub-Funds. A list of those Sub-Funds in existence at present, together with a description of their investment policy and main features, is attached as Appendices to the Prospectus.

These Appendices forms an integral part of the Prospectus and will be updated whenever new Sub-Funds are created.

Investment Restrictions

The Board of Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Fund in respect of each Sub-Fund subject to the following restrictions:

I. (1) The Fund, for each Sub-Fund, may invest in:

a) transferable securities and money market instruments admitted to an official listing on a stock exchange in an Eligible State; and/or

b) transferable securities and money market instruments dealt in on another Regulated Market; and/or

c) 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 an official stock exchange or another Regulated Market and such admission is secured within one year of the issue;

d) units of UCITS and/or other UCI, whether situated in an Member State or not, provided that:

- such other UCIs have been authorised under the laws of any Member State or under the laws of those countries providing that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law and that cooperation between authorities is sufficiently ensured,

- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders 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 Directive 2009/65/EC,

- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,

- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or if the registered office of the credit institution is situated in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority; and

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

and/or

g) money market instruments other than those dealt in on an Regulated Market, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking any securities of which are dealt in on Regulated Markets, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent above and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million 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.

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

II. The Fund may hold ancillary liquid assets.

III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body.

(ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. e) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds on behalf of a Sub-Fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

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

Notwithstanding the individual limits laid down in paragraph III. a), the Fund may not combine for each Sub-Fund:

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body

in excess of 20% of its net assets.

c) The limit of 10% laid down in sub-paragraph III. a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States belong.

d) The limit of 10% laid down in sub-paragraph III. a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

e) The transferable securities and money market instruments referred to in paragraphs III. c) and d) shall not be included in the calculation of the limit of 40% in paragraph III. b).

The limits set out in sub-paragraphs III. a), b), c) and d) shall not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same body, in deposits or in derivative instruments effected with the same body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, by a state accepted by the Luxembourg supervisory authority being (at the date of the Prospectus) OECD member states, Singapore, Brazil, Russia, Indonesia and South Africa, or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.

b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on 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.

V. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

b) The Fund may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the money market instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

c) The provisions of paragraph V. a) and b) shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

In addition, the provisions of this paragraph V. are also waived as regards to shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU 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 a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. and VI. a), b), c) and d).

VI. a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) d), provided that no more than 20% of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI. For the purpose of the application of this investment limit, each Sub-Fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net asset of a Sub-Fund.

b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under paragraph III. above.

c) When the Fund invests in the units of UCITS and/or other UCIs that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial or indirect holding, 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 by the Management Company or the other company.

If the Fund acquires units of other UCITS or other UCIs linked to the Management Company as described in the preceding paragraph, the total annual management fees (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 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 Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

d) The Fund may acquire no more than 25% of the units of the same UCITS 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 or other UCI concerned, all compartments combined.

VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net assets of the relevant Sub-Fund. The global exposure will be calculated in accordance with applicable rules and regulations according to the method disclosed in the relevant Appendix.

The global 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. This shall also apply to the following two subparagraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings (i) to be effected only on a temporary basis or (ii) to enable the acquisition of immovable property essential for the direct pursuit of its business.

Where the Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its net assets in total.

However, the Fund may acquire foreign currencies by means of back to back loans.

b) The Fund may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) d), f) and g) which are not fully paid.

c) The Fund may not carry out uncovered sales ("short sales") of transferable securities, money market instruments or other financial instruments.

d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business, provided that the limits indicated in item a) above are complied with.

e) The Fund may not acquire either precious metals or certificates representing them.

IX. a) The Fund need not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.

b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.

X. Under the conditions and within the limits laid down by the Law, the Fund may, to the widest extent permitted by Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS or Master UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with paragraph II. above;
- financial derivative instruments, which may be used only for hedging purposes.

For the purposes of compliance with paragraph VII above, the Feeder UCITS shall calculate its global exposure relating to financial derivative instruments by combining its own direct exposure under the second indent of the preceding paragraph with either:

- the Master UCITS' actual exposure to financial derivative instruments in proportion to the Feeder UCITS' investment into the Master UCITS; or
- the Master UCITS' potential maximum global exposure to financial derivative instruments provided for in the Master UCITS' management regulations or instruments of incorporation in proportion to the Feeder UCITS' investment into the Master UCITS.

XI. A Sub-Fund (the "Investing Fund") may subscribe, acquire and/or hold securities to be issued by one or more Sub-Funds (each, a "Target Fund") without the Fund being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

a) the Target Fund does not, in turn, invest in the Investing Fund invested in this Target Fund; and

b) no more than 10% of the assets that the Target Fund whose acquisition is contemplated may, according to its investment policy, be invested in units of other UCITS or other UCIs; and

c) the Investing Fund may not invest more than 20% of its net assets in units of a single Target Fund; and

d) voting rights, if any, attaching to the Shares of the Target Fund are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

e) for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and

f) to the extent required by the applicable laws and regulations there is no duplication of management/subscription or redemption fees between those at the level of the Investing Fund having invested in the Target Fund, and this Target Fund.

RISK MANAGEMENT PROCESS

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

Unless otherwise explicitly stated in the relevant Appendix for a Sub-Fund, all Sub-Funds will apply the commitment approach for measuring risk.

FINANCIAL DERIVATIVE INSTRUMENTS

Each Sub-Fund may, subject to the conditions and within the limits laid down in the Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF positions (the "Regulations"), invest in financial derivative instruments for efficient portfolio management purposes, investment purposes or to provide protection against risks. Financial derivative instruments include, but are not limited to, futures, forwards, options, swaps (including, but not limited to, credit and credit-default, interest rate and inflation swaps), swaptions and forward foreign currency contracts. New financial derivative instruments may be developed which may be suitable for use by the Fund and the Fund may employ such financial derivative instruments in accordance with the Regulations and collateral received will be according to its collateral policy.

The conditions of use and the limits applicable shall in all circumstances comply with the provisions laid down in the Law, in the rules and regulations of the CSSF and the Prospectus.

Under no circumstances shall these operations cause the Fund and its Sub-Funds to diverge from its investment policies and restrictions.

The Fund will ensure that the global exposure relating to the use of financial derivatives shall not exceed the total net asset value of a Sub-Fund. The global exposure relating to derivative instruments held in a Sub-Fund will be determined using an approach based on the internal model, taking into consideration all the sources of global exposure (general and specific market risks), which might lead to a significant change in the portfolio's value.

USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

To the maximum extent allowed by, and within the limits set forth in, the Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF’s positions, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investments[1]; (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments ("CSSF Circular 08/356" (as these regulations may be amended or replaced from time to time)); and (iii) CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS, each Sub-Fund may for the purpose of generating additional capital or income, or for reducing costs or risks, enter into repurchase agreements and/or securities lending transactions.

The counterparties to the transactions described below must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialised in this type of transaction.

Any transaction expenses in connection with any techniques and instruments referred to below will be met by the Sub-Fund concerned.

Repurchase/reverse repurchase agreements

Repurchase agreements, also known as "repos", are financial instruments used in securities and money markets.

Each Sub-Fund may invest in securities subject to repurchase agreements concluded with high quality financial institutions specialised in this type of transactions. Under such agreements, the seller agrees with the buyer, upon entering into the contract, to repurchase the securities at a mutually agreed upon time and price, thereby determining the repo rate during the time of the agreement. This investment technique permits the buyer to earn a fixed rate of return independent from market fluctuations during such period. During the lifetime of a repurchase agreement, the buyer may not sell the securities which are the subject of the agreement either before the repurchase of the securities by the counterparty has been carried out or before the repurchase period has expired.

The Fund will ensure to maintain the importance of purchased securities subject to a repurchase obligation at a level such that it is able, at all times to meet redemption requests from its shareholders. In addition the Fund will ensure that all repurchase agreements may be terminated at any time and that the securities, object of such repurchase agreement, may be recalled at any time.

The Fund may act either as a seller (in a repo) or as a buyer (a reverse repo).

[1] The law of 20 December 2002 on undertakings for collective investments has been repealed and replaced by the Law.

Securities lending

In relation to securities lending transactions, the Fund must in principle receive for the Sub-Fund concerned security of a value which at the time of the conclusion of the lending agreement must be at least equal to the value of the global valuation of the securities lent.

All securities lending transactions will be entered into on arms-length commercial terms. The written consent of the Board is required for any such transactions that are entered into with the Investment Manager or Investment Adviser or its connected persons.

Collateral policy

In relation to securities lending transactions and in accordance with its collateral policy, the Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent. Such collateral must be in the form of:

(i) liquid assets (i.e., cash and short term bank certificates, money market instruments as defined in Council Directive 2007/16/EC of 19 March 2007) and their equivalent (including letters of credit and a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty);

(ii) bonds issued or guaranteed by a Member State of the OECD or their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;

(iii) shares or units issued by money market UCIs calculating a net asset value on a daily basis and assigned a rating of AAA or its equivalent;

(iv) shares or units issued by UCITS investing mainly in bonds/shares satisfying the conditions under (v) and (vi) hereafter;

(v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or

(vi) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.

When using OTC derivatives and/or efficient portfolio management techniques, assets provided as collateral by the counterparties to such transactions may take the form of the assets listed above and shall always comply with the criteria provided by the CSSF Circular 14/592 or any applicable laws or regulations. When exposure arising from OTC financial derivative transactions and efficient portfolio management techniques exceeds 10% of the net assets of a Sub-Fund, the level of collateral received shall at all times equal at least 100% (taking into account any haircut) of the exceeding counterparty exposure.

The income, net of direct and indirect operational costs, arising from securities lending transactions and efficient portfolio management transactions will revert to the Fund. Details of such amounts and the security clearing body or financial institution arranging the securities lending transaction will be disclosed in the financial report of the Fund.

For the valuation of the collateral presenting a significant risk of value fluctuation, the Fund will apply prudent discount rates. Except as otherwise decided by the Fund on a case by case basis, a discount of 20% will be applied for shares or convertible bonds which are comprised in a main index, and 15% for debt and debt-related securities issued by a non-governmental issuer rated at least BBB- by at least one ratings agency. Collateral in the form of cash deposits in a currency other than the currency of exposure is also subject to a discount of 10%.

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund in (a) shares or units issued by short-term money market undertakings for collective investment as defined in the CESR's Guidelines on a common definition of European money market funds (Ref.: CESR/10-049), (b) short-term bank deposits, (c) high-quality government bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, and (d) reverse repurchase agreement transactions according to the provisions described under section XII. Article 43. J) of ESMA Guidelines on ETFs and other UCITS issues released by the CSSF under CSSF Circular 14/592. Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's global exposure, in particular if it creates a leverage effect.

RISK FACTORS

The nature of the Fund's investments involves certain risks and the Fund may utilise investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares:

1. GENERAL

Suspension of Share dealings

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see "TEMPORARY SUSPENSION OF THE NET ASSET VALUE CALCULATIONS AND OF ISSUES, REDEMPTION AND CONVERSION OF SHARES").

Business Risk

There can be no assurance that the Fund or any Sub-Fund will achieve its investment objective. There is no operating history by which to evaluate their likely future performance. The investment results of the Fund or any Sub-Fund are reliant upon the success of the Investment Manager and the performance of the markets the Sub-Funds invest in.

Reliance on the Investment Manager

The Investment Manager will have the responsibility for each Sub-Fund's investment activities. Investors must rely on the judgment of the Investment Manager who has complete discretionary power in exercising this responsibility. In addition, since the performance of a Sub-Fund is wholly dependent on the skills of the Investment Manager if the services of the Investment Manager or its principals were to become unavailable, such unavailability might have a detrimental effect on the relevant Sub-Fund and its performance.

Moreover, there can be no assurance that the Investment Manager of any Sub-Fund will successfully implement the strategy of the relevant Sub-Fund.

Declining Performance with Asset Growth

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Investment Manager to modify its investment decisions for relevant Sub-Fund because the Investment Manager cannot deploy all the assets in the manner it desires.

Effect of Substantial Redemptions

Substantial redemptions by Shareholders within a short period of time could require a Sub-Fund to liquidate securities positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares and/or disrupt the Investment Manager's investment strategy. Reduction in the size of a Sub-Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in such Sub-Fund’s ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Concentration of Investments

Although it will be the policy of the Fund to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Debt Securities

The Fund may invest in fixed income securities which may be unrated by a recognised credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Restricted Securities

The Fund may invest in securities which may only be offered to qualified institutional investors (such as but not limited to QIBS as defined in the US Securities Act of 1933) or other securities that contain restrictions of their negotiability and/or issue. Such investments may be less liquid, making it difficult to acquire or to dispose of such investments which may lead to the Fund experiencing adverse price movements upon any such disposal. Such restricted securities may be but are not limited to securities known as “Rule 144A Securities”.

Rule 144A securities are privately offered securities that can be resold only to certain qualified institutional buyers. As such securities are traded among a limited number of investors, certain Rule 144A securities may be illiquid and involve the risk that the Fund may not be able to dispose of these securities quickly or in adverse market conditions.

Liquidity and Market Characteristics

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund's ability to respond to market movements, especially on the OTC market, may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Counterparty Risk

The Fund will be subject to the risk of the inability of any counterparty (including the clearing broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover its/her/his initial investment when he chooses to redeem its/her/his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

Currency Exposure

The Shares may be denominated in different currencies and Shares will be issued and redeemed in those currencies. Certain of the assets of the Fund may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Fund will be subject to foreign exchange risks. The Fund may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the EUR and such other currencies.

Profit Sharing

In addition to receiving management fees, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a performance fee may be paid on unrealised gains which may subsequently never be realised.

Potential Conflicts of Interest

The Investment Manager may conduct transactions in which the Investment Manager has, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to the Fund. The Investment Manager shall not be liable to account to the Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager' fees, unless otherwise provided, be abated.

Regulatory Risk

The Fund is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Sub-Funds may be registered in non-EU jurisdictions. As a result of such registrations these Sub-Funds may be subject to more restrictive regulatory regimes. In such cases these Sub-Funds will abide by these more restrictive requirements. This may prevent these Sub-Funds from making the fullest possible use of the investment limits.

Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Sub-Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. A Sub-Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Investment Manager will consider whether the security continues to be an appropriate investment for the Sub-Fund. Some of the Sub-Funds will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Hedging techniques

The Fund may engage in currency hedging transactions with regards to a certain Class (the "Hedged Class"). Hedged Classes are designed (i) to minimize, when a Class has a currency denominated in a currency other than the Sub-Fund Currency, exchange rate fluctuations between the Class currency of the Hedged Share Class and the Sub-Fund currency or (ii) to reduce exchange rate fluctuations between the Class currency of the Hedged Class and other material currencies within the Sub-Fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the Class currency of the Sub-Fund or other material currencies within the Sub-Fund is(are) declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Classes and no assurance can be given that the hedging objective will be achieved. In the case of a net flow to or from a Hedged Class the hedging may not be adjusted and reflected in the net asset value of the Hedged Class until the following or a subsequent Business Day following the Valuation Day on which the instruction was accepted. This risk for holders of any Hedged Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the CSSF. Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Class from benefiting from any potential increase in value of the Class expressed in the Class currency(ies), if the Hedged Class currency falls against the Class currency(ies). Additionally, Shareholders of the Hedged Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Class. Any financial instruments used to implement such hedging strategies with respect to one or more Classes of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. However, due to the lack of segregated liabilities between Classes of the same Sub-Fund, costs which are principally attributed to a specific Class may be ultimately charged to the Sub-Fund as a whole. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

Trade execution and selection of brokers and dealers

Many of the trading techniques used by the Sub-Fund(s) require the rapid and efficient execution of transactions. Inefficient executions can result in a Sub-Fund being unable to exploit the small pricing differentials that the Investment Manager may seek to exploit and impact, possibly materially, the profitability of a Sub-Fund's positions.

The policy of the Investment Manager regarding purchases and sales for its portfolios is that primary consideration will be given to obtaining the most favorable execution of the transactions in seeking to implement the investment strategy of the relevant Sub-Fund. The Investment Manager will effect transactions with those brokers, dealers, banks and other counterparties (collectively, "brokers and dealers") which the Investment Manager believes provide the most favorable net prices and who are capable of providing efficient executions. Additional considerations include the ability of brokers and dealers to provide internal and external research services, special execution capabilities, clearance, settlement or other services including communications and data processing and other similar equipment and services and the furnishing of stock quotation and other similar information. The Investment Manager also may cause a broker or dealer who provides certain services to be paid a commission or, in the case of a dealer, a dealer spread for executing a portfolio transaction, which is in excess of the amount of commission or spread another broker or dealer would have charged for effecting that transaction.

Leverage

The Sub-Funds may achieve some leverage through the use of options, synthetic short sales, swaps, credit default swaps, forwards and other financial derivatives instruments for the purpose of making investments. The use of leverage creates special risks and may significantly increase the Sub-Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, exposes a Sub-Fund to greater capital risk than an unlevered vehicle.

Sub-Funds quantifying global exposure using a Value-at-Risk (VaR) approach disclose their expected level of leverage in the relevant Appendix.

The expected level of leverage is an indicator and not a regulatory limit. The Sub-Funds' levels of leverage may be higher than this expected level as long as the Sub-Fund remains in line with its risk profile and complies with its VaR limit.

The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.

The level of leverage is a measure of (i) the derivative usage and (ii) the reinvestment of collateral in relation to efficient portfolio management transactions. It does not take into account other physical assets directly held in the portfolio of the relevant Sub-Funds. It also does not represent the level of potential capital losses that a Sub-Fund may incur.

The level of leverage is calculated as (i) the sum of notionals of all financial derivative contracts entered into by the Sub-Fund expressed as a percentage of the Sub-Fund's Net Asset Value and (ii) any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

Market and Settlement Risks

The securities markets in some countries lack the liquidity, efficiency and regulatory controls of more developed markets. Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to assess reliably the market value of assets. The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected. Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds. Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

Limitations may exist with respect to the Sub-Funds ability to repatriate investment income, capital or the proceeds from the sale of securities by foreign investors. The Sub-Fund can be adversely affected by delays in, or refusal to grant, any required governmental approval for such repatriation.

Market Volatility risk

Market volatility affects the performance of the Shares, and of a Sub-Fund's assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors exposure to or protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

Interest rate risk

Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term fixed-income securities. A rise in interest rates generally can be expected to depress the value of a Sub-Funds' investments. A Sub-Fund shall be actively managed to mitigate market risk, but it is not guaranteed to be able to accomplish its objective at any given period.

Less developed or emerging market risk

Investors should note that certain Sub-Funds may invest in less developed or emerging markets (notably non-OECD countries) as may be described in the Sub-Funds' Appendices. Investing in less developed or emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those markets. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be affected unfavorably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of Shares of these Sub-Funds may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organized than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the "Counterparty") through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Funds investing in emerging market securities.

The Fund will seek, where possible to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Fund will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

Foreign securities

A Sub-Fund's investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalization, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund's securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

Equity risk

The value of all Sub-Funds that invest in equity and equity related securities will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Sub-Fund's value are often exacerbated in the short-term as well. The risk that one or more companies in a Sub-Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

2. USE OF FINANCIAL DERIVATIVE INSTRUMENTS AND OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

Futures, Options and Forward Transactions Risk

The Sub-Funds may use options, futures and forward contracts on currencies securities, indices, volatility, inflation and interest rates for hedging and investment purposes.

Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Sub-Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

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

Forward transactions, in particular those traded over-the-counter, have an increased counterparty risk. If a counterparty defaults, the Sub-Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

Short Positions

A Sub-Fund may generate a short exposure through cash settled contracts for difference or financial derivative instruments. Short exposure allows the investor to profit from declines in market prices. The extent to which a Sub-Fund has short exposure will depend upon the Investment Manager's investment strategy and perception of market direction.

The generation of short exposure typically involves trading on margin and can involve greater risk than investments based on a long exposure. A short exposure involves the risk of a theoretically unlimited increase in the market price of the underlying security.

Specific risks linked to securities lending and repurchase transactions

In relation to repurchase transactions, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Sub-Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of the Prospectus.

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales.

Credit default swap risk

A credit default swap allows the transfer of default risk. This allows a Sub-Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Sub-Fund does not hold the underlying reference obligation, there may be a market risk as the Sub-Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Sub-Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Fund will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Valuation Risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued.

Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives involves an independent check of the valuations provided by the counterparties and is verifiable by an approved statutory auditor.

CONFLICTS OF INTEREST

The Investment Manager and its affiliated companies as well as the Management Company may from time to time act as investment manager or adviser or as management company to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Investment Manager and its affiliates may, in the course of their business, have potential conflicts of interest with the Fund.

The Board of Directors, the Management Company and/or the Investment Manager will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or the Investment Manager or any of their affiliated entities. The directors of the Management Company may also be directors of other investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or other investment funds. In the event that such a conflict arises, the directors of the Management Company and the directors of the Fund will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

The Investment Manager and its principals, directors, officers, partners, members, managers, shareholders, employees and affiliates trade or may trade for their own accounts, and certain of such persons have sponsored or may in the future sponsor or establish other public and private investment funds. The Investment Manager and its affiliates may trade for accounts other than the relevant Sub-Fund's account and will remain free to trade for such other accounts and to utilise trading strategies, formulae and models in trading for such accounts which are the same as or different from the ones that the Investment Manager will utilise in making trading decisions on behalf of the relevant Sub-Fund. In addition, and if and when applicable, in their respective proprietary trading, the Investment Manager or its affiliates may take positions the same as or different than those taken on behalf of the relevant Sub-Fund in accordance with the Investment Manager and its affiliates' internal policies. The records of any such trading will not be available for inspection by investors except to the extent required by law. Because of price volatility, occasional variations in liquidity, and differences in order execution, it might not be possible for the Investment Manager and its affiliates to obtain identical trade execution for all their respective clients. When block orders are filled at different prices, the Investment Manager and its affiliates will assign the executed trades on a systematic basis among all client accounts.

MANAGEMENT COMPANY

Pursuant to a management company agreement dated 9 April 2014, as amended from time to time, the Fund has appointed La Française Investment Solutions, a *société anonyme* incorporated under the laws of France, with registered office at 128, boulevard Raspail, F-75006 Paris, as its management company to perform investment management, administration and marketing functions of the Fund.

La Française Investment Solutions complies with the conditions set out in Directive 2009/65 and is authorised as a management company managing UCITS governed by the Directive 2009/65/EC.

As of the date of the Prospectus, the Management Company's governance structure consists of the following members:

<u>Management board</u>
Sofiane HAJ TAIEB, chairman of the management board of *La Française Investment Solutions* and General Director of *La Française Investment Solutions*
Franck MEYER, Director of the *GIE Groupe La Française*
Thouraya JARRAY, General Director Delegate of *La Française Investment Solutions*

<u>Conducting officers</u>
Sofiane HAJ TAIEB

The Management Company has, with the consent of the Fund, delegated its administration functions to the Administrator.

The Management Company will act as Investment Manager unless otherwise disclosed in the relevant Sub-Fund's Appendix.

In the context of its marketing function, the Management Company may, with the consent of the Fund, enter into agreements with Distributors pursuant to which the Distributors agree to act as intermediaries or nominees for investors subscribing for Shares through their facilities.

The Management Company will monitor on a continuous basis the activities of the third parties to which it has delegated functions. The agreements entered into between the Management Company and the relevant third parties provide that the Management Company can give at any time further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this in the interest of the Shareholders. The Management Company's liability towards the Fund is not affected by the fact that it has delegated certain functions to third parties.

The Management Company is also acting as a management company for other undertakings for collective investment, a list of which is available upon request and free of charge at the registered office of the Management Company.

The Management Company has adopted various procedures and policies in accordance with Directive 2010/43/EU. Shareholders may, in accordance with Luxembourg laws and regulations, obtain a summary and/or more detailed information on such procedures and policies upon request and free of charge from the Management Company.

In accordance with the Directive 2009/65/EC and Article 111bis of the Law, the Management Company has established a remuneration policy for those categories of staff whose professional activities have a material impact on the risk profiles of the Management Company or the Fund. Those categories of staff includes any employees who are decision takers, fund managers, risk takers and persons who take real investment decisions, control functions, persons who have the power to exercise influence on such employees or members of staff, including investment advisors and analysts, senior management and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and decision takers. The remuneration policy is compliant with and promotes a sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles of the Fund or with its Articles and which are in line with the business strategy, objective values and interests of the Management Company and does not interfere with the obligation of the Management Company to act in the best interests of the Fund. The remuneration policy includes an assessment of performance 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 long-term performance of the Fund and its investment risks. The variable remuneration component is also based on a number of other qualitative and quantitative factors. The remuneration policy contains an appropriate balance of fixed and variable components of the total remuneration.

The La Française Group has established a remuneration committee that operates on a group-wide basis. The remuneration committee is organised in accordance with internal rules in compliance with the principles set out in the Directive 2009/65/EC and Directive 2011/61/EU. The remuneration policy has been designed to promote sound risk management and to discourage risk taking that exceeds La Française's level of tolerated risk, having regard to the investment profiles of the funds managed and to establish measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is made available at https://www.lafrancaise-gis.com/fr/actualites-reglementaires.html. A paper copy is available free of charge upon request at the Management Company's registered office.

DEPOSITARY AND PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch (the "**Depositary**") has been appointed as depositary of the Fund.

BNP Paribas Securities Services Luxembourg is a branch of BNP Paribas Securities Services SCA, a wholly-owned subsidiary of BNP Paribas SA. BNP Paribas Securities Services SCA is a licensed bank incorporated in France as a *Société en Commandite par Actions* (partnership limited by shares) under No.552 108 011, authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered address at 3 rue d'Antin, 75002 Paris, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, and is supervised by the CSSF.

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Article 34 (1) of the Law), (ii) the monitoring of the cash flows of the Fund (as set out in Article 34 (2) of the Law) and (iii) the safekeeping of the Fund's assets (as set out in Article 34 (3) of the Law).

Under its oversight duties, the Depositary is required to ensure:

(1) that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Fund are carried out in accordance with the Luxembourg Law and with the Articles,
(2) that the value of Shares is calculated in accordance with the Luxembourg Law and the Articles,
(3) to carry out the instructions of the Fund or the Management Company acting on behalf of the Fund, unless they conflict with the Luxembourg Law or the Articles,
(4) that in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits;
(5) that the Fund's revenues are allocated in accordance with Luxembourg Law and its Articles.

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Fund, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Fund maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services or its affiliates act as agent of the Fund or the Management Company, or

- Selection of BNP Paribas Securities Services or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of Shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Fund, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - implementing a deontological policy;
  - recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Fund's interests; or

- setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will 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.

The Depositary may delegate to third parties the safe-keeping of the Fund's assets subject to the conditions laid down in the applicable laws and regulations. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment.

Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from cristalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and/or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available in the website http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits_delegates_EN.pdf.

Such list may be updated from time to time. Updated information on the Depositary's custody duties, a list of delegations and sub-delegations, and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

Updated information on the Depositary's duties and the conflict of interests that may arise are available to investors upon request.

ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT AND DOMICILIARY AGENT

With the consent of the Fund, the Management Company has appointed BNP Paribas Securities Services, succursale de Luxembourg, as the Administrative Agent and the Registrar and Transfer Agent of the Fund.

The Board of Directors have appointed BNP Paribas Securities Services, succursale de Luxembourg, as the Domiciliary Agent of the Fund.

In its capacity as Administrative Agent BNP Paribas Securities Services, succursale de Luxembourg will be responsible for all administrative duties required by Luxembourg law, and in particular for the bookkeeping and the calculation of the Net Asset Value per Share of any class of Shares within each Sub-Fund, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

In its capacity as Registrar and Transfer Agent BNP Paribas Securities Services, succursale de Luxembourg will be responsible for handling the processing of subscriptions for Shares, dealing with requests for redemptions and switches and accepting transfers of funds, for the safekeeping of the register of shareholders of the Fund, the delivery of Share certificates, if requested, the safekeeping of all non-issued Share certificates of the Fund, for accepting Share certificates tendered for replacement, redemption or conversion, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

In its capacity of Domiciliary Agent, BNP Paribas Securities Services, succursale de Luxembourg, will be responsible for all corporate agency duties required by Luxembourg law, and in particular for providing and supervising the mailing of statements, reports, notices and other documents to the Shareholders, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

AUDITOR

PricewaterhouseCoopers, Société cooperative, has been appointed as Auditor of the Fund.

POOLING

For the purpose of effective management, and subject to the provisions of the Articles and to applicable laws and regulations, the Board of Directors may invest and manage all or any part of the portfolio of assets established for two or more Sub-Funds (for the purposes hereof "Participating Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Board of Directors may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Class concerned. The share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Board of Directors shall, in its discretion, determine the initial value of notional units (which shall be expressed in such currency as the Board of Directors consider appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the notional unit shall be determined by dividing the net asset value of the asset pool by the number of notional units subsisting.

The entitlements of each Participating Fund to an asset pool apply to each and every line of investments of such asset pool.

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

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Fund, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

SUBSCRIPTIONS

Investors may subscribe for Shares in each Sub-Fund during an Initial Offering Period at the fixed price specified in the relevant Appendix which may be increased by a Subscription Charge and thereafter as of each Valuation Day at the relevant Subscription Price which may (where applicable) be increased by a Subscription Charge or other applicable charges.

A Subscription Charge, as disclosed in the relevant Appendix may be added for the purpose of compensating distributors and financial intermediaries who assist in placing the Shares. This charge is to be considered a maximum rate and distributors and financial intermediaries may decide at their discretion to waive this charge in whole or in part and shall waive all or part of the charge where to do otherwise would be in breach of applicable law.

Under certain circumstances and unless otherwise provided in the Appendix relating to a Sub-Fund, the Board of Directors has the power to adjust the Net Asset Value per Share applicable to the issue price as described hereafter under the section "Swing Pricing" and dilution levy.

Applicants wishing to subscribe for Shares should complete an application form (an "Application Form") and send it to the Registrar and Transfer Agent, together with any documents required and set out in the Application Form. The Application Form should be completed with the full name and address of each of the persons in whose name the Shares are to be registered and, in the case of a joint application, who is to be the first named Shareholder. Subsequent subscriptions for Shares may additionally be made by facsimile or through an agreed electronic format.

Completed Application Forms must be received by the Registrar and Transfer Agent by no later than such time specified in the relevant Appendix failing which the application will be treated as received on the next following Valuation Day. At the time of placement of the order by the investor, the Net Asset Value per Share of the relevant Sub-Fund or Share Class will be unknown ("Forward Pricing"). At the level of the sales agencies or intermediaries, whether in Luxembourg or abroad, earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Registrar and Transfer Agent. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries.

Subscription monies must be received on an account of the Fund in the reference currency of the relevant Class no later than in the period of time specified in the relevant Appendix.

Payment can be made in the reference currency, as defined in the relevant Appendix, of the selected Sub-Fund(s). However, an investor may, in certain instances as permitted by the Registrar and Transfer Agent, provide for payment in any other currency which can be freely exchanged for the reference currency of the selected Sub-Fund(s). The foreign exchange transaction that would be necessary for a payment in a currency other than the reference currency of the relevant Sub-Fund, will be arranged on behalf of, at the expense of, and the risk of the investor.

The price per Share will be rounded upwards or downwards as the Board of Directors may resolve. Fractions of Shares may be issued up to at least three decimal places. Rights attached to fractions of Shares are exercisable in proportion to the fraction of a Share held except that fractions of Shares do not confer any voting rights.

The Fund reserves the right to cancel an application if subscription monies are not received on an account of the Fund within the time period specified in the relevant Appendix and in the reference currency of the relevant Class and if any of the documents required under section "Anti-Money Laundering" below is not received on time by the Registrar and Transfer Agent.

The Fund reserves the right to reject any subscription in whole or part at its absolute discretion, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the currency of subscription and at the risk and cost of the applicant.

The Board of Directors reserves the right from time to time, without notice, to resolve to close the Fund or a particular Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine.

The Board of Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions. Any such contribution in kind will be valued in an auditor's report drawn up in accordance with the requirements of Luxembourg law. The investor shall normally bear the costs resulting from the contribution in kind (mainly costs relating to the drawing up of an auditor’s report, if any) unless the Board of Directors considers that the contribution in kind is in the interest of the Fund or made to protect the interest of the Fund.

Subscriptions, once given, are irrevocable except in case of a suspension of the calculation of the Net Asset Value of the relevant Sub-Fund.

<u>Institutional Investors</u>

As detailed in the relevant Appendices, the sale of Shares of certain Classes may be restricted to institutional investors, as this term may be defined by guidelines or recommendations issued by Luxembourg supervisory authorities ("Institutional Investors") and the Fund will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor.

The Fund may, at its discretion, delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor.

<u>Ineligible Applicants</u>

The Fund requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he/she/it is able to acquire and hold Shares without violating applicable laws and that he fulfils any eligibility requirements in relation to such Shares as detailed in the Appendix for each Sub-Fund.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable securities laws whether US or other.

Where applicable and in accordance with FATCA rules, the Fund will only accept applicants which qualify as non Specified US Person or as participating FFIs, exempt beneficial owner or certain eligible active NFFES (as defined in the IGA), applicant acting nominees or distributors that agree to provide the Fund with mandatory documentary evidence of their FATCA compliant status within the time frame provided for by the FATCA rules. These nominees or distributors shall inform the Fund of any change in their FATCA status within 90 days from the date of this change.

Shares that are held by or through nominees and distributors which will become non-compliant FATCA, will either be converted into direct holdings in the Fund by the beneficial owner of such Shares, provided that such beneficial owner is not prohibited to directly hold the Shares, or be transferred to another FATCA compliant nominee or distributor.

Subject as mentioned above, Shares are freely transferable. The Directors may refuse to register a transfer which would result in (i) a breach of the applicable sale and transfer restrictions (including not fulfilling the relevant eligibility requirements of a Class), or (ii) either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares in a Sub-Fund holds less than the Minimum Holding Amount.

The Fund will require from each registered Shareholder acting on behalf of other investors that any assignment of rights to Shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the applicable sale and transfer restrictions and minimum holding requirement.

Minimum subscription and minimum holding

The Board of Directors may impose a Minimum Subscription Amount and a Minimum Holding Amount for each investor/Shareholder in the different Sub-Funds and/or different Classes within each Sub-Fund as set out in the relevant Appendix. The Board of Directors may also impose a Minimum Subsequent Subscription Amount. It may decide to waive at its discretion any Minimum Subscription Amount, Minimum Holding Amount and Minimum Subsequent Subscription Amount.
The Board of Directors shall not give effect to any transfer of Shares in the register as a consequence of which a Shareholder will not meet the Minimum Holding Amount referred to in the relevant Appendix.

If, as a result of a redemption request, the value of any holding decreases below the Minimum Holding Amount set out in the relevant Appendix, then such request may be treated as a request for redemption of the entire holding.

Form of Shares

All the Shares will be issued in registered form. Shares will be held on a register established by the Fund in the name of the Shareholders. Shareholders will receive a confirmation of their subscription, but no formal share certificate will be issued.

Suspension

The Board of Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be issued in the relevant Sub-Fund during any such period of suspension.

Prevention of Money Laundering and Terrorist Financing

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circular 13/556 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription will not be accepted and in case of redemption, payment of redemption proceeds will be delayed. Neither the Fund, nor the Management Company, nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

REDEMPTIONS

Shares are redeemable at the option of the Shareholders. Shareholders wishing to have all or part of their Shares redeemed should send a completed redemption request in writing to the Registrar and Transfer Agent. All redemption requests are to be received by the Registrar and Transfer Agent no later than such time as specified in the relevant Appendix, failing which the redemption request will be treated as received on the next following Valuation Day and Shares will be redeemed based on the Redemption Price applicable on that Valuation Day.

The Distributors or any agent thereof are also authorized to transmit redemption requests on behalf of Shareholders to the Registrar and Transfer Agent.

A Redemption Charge may be applied as disclosed in the relevant Appendix.

If redemption requests for more than 10% of the Net Asset Value of a Sub-Fund are received on any Valuation Day, then the Fund shall have the right to limit redemptions on that Valuation Day so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Shareholders seeking to redeem Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

In exceptional circumstances the Board of Directors may request that a Shareholder accepts ‘redemption in kind’ i.e. receives a portfolio of stock of equivalent value to the appropriate cash redemption payment. In such circumstances the investor must specifically consent to the redemption in kind. The investor may always request a cash redemption payment in the reference currency of the relevant Class. Where the investor agrees to accept redemption in kind it/he/she will, as far as possible, receive a representative selection of the Class’ holdings pro-rata to the number of Shares redeemed and the Board of Directors will make sure that the remaining Shareholders do not suffer any loss therefrom. The value of the redemption in kind will, if required by applicable laws and regulations, be certified by a report drawn up by the auditor of the Fund in accordance with the requirements of Luxembourg law. The redeeming Shareholder shall normally bear the costs resulting from the redemption in kind (mainly costs relating to the drawing up of an auditor’s report, if any) unless the Board of Directors considers that the redemption in kind is in the interest of the Fund or made to protect the interest of the Fund.

A redemption request, once given, is irrevocable except in the event of suspension of redemption pursuant to section "Temporary suspension of Net Asset Value calculations and of issues, redemptions and conversions of Shares" below. Shares redeemed by the Fund are cancelled.

Payment of the Redemption Price, less any applicable charges, will be made no later than the period of time provided in the relevant Appendix for a Sub-Fund. Payment will be made in the reference currency of the relevant Class by transfer to the bank account indicated in the Application Form at the time of subscription or specified in writing by the redeeming Shareholder to the Registrar and Transfer Agent.

Suspension

The Board of Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be redeemed in the relevant Sub-Fund during any such period of suspension.

Compulsory Redemptions

The Board of Directors has the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Board of Directors determines that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions". The Fund also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Sub-Fund if the Net Asset Value of the Shares held in such Sub-Fund by the Shareholder is less than the applicable Minimum Holding Amount.

Shareholders are required to notify the Registrar and Transfer Agent immediately if at any time they become US Persons or hold Shares for the account or benefit of US Persons.

When the Board of Directors becomes aware that a Shareholder (A) is a US Person or is holding Shares for the account or benefit of a US Person; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders; or (C) has failed to provide any information or declaration required by the Board of Directors or the Registrar and Transfer Agent within 10 days of being requested to do so, the Board of Directors will either (i) direct such Shareholders to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares.

If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Fund will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant shareholder of such conversion.

Any person who becomes aware that it/she/he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem its/her/his Shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depositary, the Administrator, the Registrar and Transfer Agent, the Investment Manager and the Shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with its/her/his obligations pursuant to any of the above provisions.

CONVERSIONS

Subject to any prohibition of conversions contained in an Appendix and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder’s holding in the new Class would be less than the minimum holding amount, the Board of Directors may decide not to accept the request for conversion of the Shares and the Shareholder will be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder’s holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Board of Directors so decides) to have requested the conversion of all of its/her/his Shares.

The number of Shares issued upon conversion will be based upon the respective Net Asset Values of the two Classes concerned on the common Valuation Day for which the conversion request is accepted.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the Net Asset Value calculated on the next following Valuation Day of each of the two Classes concerned.

SWING PRICING AND DILUTION LEVY

A Sub-Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Fund. This is known as "dilution". In order to counter this and to protect Shareholders’ interests, the Board of Directors may apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Board of Directors may make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The Board of Directors may alternatively decide to charge a dilution levy on subscription or redemption, as described below.

Swing Pricing

If on any Valuation Day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease of the Net Asset Value of the Sub-Fund which exceeds a threshold set by the Board of Directors from time to time for that Sub-Fund (relating to the cost of market dealing for that Sub-Fund), a swing factor will be applied (not exceeding 2% of that Net Asset Value) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease.

Dilution Levy

The value of the property of a Sub-Fund may be reduced as a result of the costs incurred in the dealings in the Sub-Fund’s investments, including stamp duty and any difference between the buying and selling price of such investments. In order to mitigate against such ‘dilution’ and consequent potential adverse effect on remaining Shareholders, the Fund has the power to charge a ‘dilution levy’ of up to 1% of the applicable NAV when Shares are subscribed for or redeemed, such ‘dilution levy’ to accrue to the affected Sub-Fund. Any dilution levy must be fair to all Shareholders and potential Shareholders and the Fund will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose, it will not be applied if the swing pricing mechanism is used.

LATE TRADING OR MARKET TIMING

Investors are informed that the Board of Directors is entitled to take adequate measures in order to prevent practices known as "Market-Timing" in relation to investments in the Fund. The Board of Directors of the Fund will also ensure that the relevant Cut-off time for requests for subscription, redemption and conversion are strictly complied with and will therefore take adequate measures to prevent practices known as "Late Trading".

The Board of Directors of the Fund is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of Market Timing practices. In addition, the Board of Directors is authorised to take any further measures deemed appropriate to prevent Market Timing to take place.

NET ASSET VALUE

The Net Asset Value as well as the issue, redemption and conversion prices for Shares will be determined and made available by the Administrator in the reference currency of the Class at intervals which may vary for each Sub-Fund and are specified in the relevant Appendix.

The Net Asset Value per Share as of any Valuation Day will be calculated to at least two decimal places in the reference currency of the relevant Class by dividing the Net Asset Value of the Class by the number of Shares in issue in such Class as of that Valuation Day.

The Net Asset Value of each Class will be determined by deducting from the total value of the assets attributable to the relevant Class, all accrued debts and liabilities attributable to that Class.

Assets of the Fund will be valued in accordance with the following principles:

- The value of any cash on hand or on deposit bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

- Securities listed on a Regulated Market will be valued at their last available closing prices, or, in the event that there should be several such markets, on the basis of their last available closing prices on the main market for the relevant security.

- In the event that the last available closing price does not, in the opinion of the directors, truly reflect the fair market value of the relevant securities, the value of such securities will be defined by the directors based on the reasonably foreseeable sales proceeds determined prudently and in good faith.

- Securities not listed or traded on a stock exchange or not dealt on another regulated market will be valued on the basis of the probable sales proceeds determined prudently and in good faith by the Directors.

- The liquidating value of futures, forward or option contracts not traded on exchange or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchange or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchange and Regulated Markets on which the particular futures, forward or option contracts are traded by the Fund; provided that if a futures, forward or option contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable.

- Money market instruments not listed or traded on a Regulated Market are valued at their face value with interest accrued.

- In case of short term instruments which have a maturity of less than 90 days, the value of the instrument based on the net acquisition cost, is gradually adjusted to the repurchase price thereof. In the event of material changes in market conditions, the valuation basis of the investment is adjusted to the new market yields.

- Interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Swaps pegged to indexes or financial instruments shall be valued at their market value, based on the applicable index or financial instrument. The valuation of the swaps tied to such indexes or financial instruments shall be based upon the market value of said swaps, in accordance with the procedures laid down by the Board of Directors.

- Investments in open-ended UCIs will be valued on the basis of the last available net asset value (whether final or estimated) of the units or shares of such UCIs.

- All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

Any assets held in a particular Sub-Fund not expressed in the Reference Currency of the Sub-Fund will be translated into such Reference Currency at the rate of exchange prevailing in a recognised market on the Business Day preceding the Valuation Day. The same rule shall supply mutatis mutandis in relation to Classes.

The Board of Directors, in its discretion, may permit some other method of valuation, based on the probable sales price as determined with prudence and in good faith by the Board of Directors, to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

In the event that the quotations of certain assets held by the Fund should not be available for calculation of the Net Asset Value per Share of a Sub-Fund, each one of these quotations might be replaced by its last known quotation (provided this last known quotation is also representative) preceding the last quotation or by the last appraisal of the last quotation as of the relevant Valuation Day, as determined by the Board of Directors.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Board of Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects such value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of determination of the Net Asset Value.

The Management Company has delegated to the Administrator the determination of the Net Asset Value and the Net Asset Value per Share.

FEES AND EXPENSES

The Investment Manager and the Management Company are entitled to a management fee, payable in arrears at a total annual rate which could vary for each Sub-Fund as disclosed in the relevant Appendix (the "Management Fee").

The Investment Manager may also be entitled to any performance fee to the extent described in the relevant Appendix.

The Depositary is entitled to fees in line with current practice in Luxembourg, payable on a monthly basis, which shall in aggregate not exceed 0.10% of the average net asset value of the Fund per annum (excluding any taxes).

The Administrator for the services provided, is entitled to fees in line with current practice in Luxembourg, payable on a monthly basis, which shall in aggregate not exceed 0.07% of the average net asset value of the Fund per annum (excluding any taxes).

Other costs charged to the Fund include:

1) All taxes and duties which might be due on the Fund's assets or income earned by the Fund, in particular the subscription tax charged on the Fund's net assets.

2) Brokerage fees and charges on transactions involving securities in portfolio.

3) Remuneration of the Depositary’s correspondents.

4) Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.

5) 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.

6) all other fees and expenses incurred in connection with its organization, operation, administration, its management and the costs of insurance for the benefit of Directors (if any);

7) all expenses relating to the promotion and distribution of Shares in the Fund and any of its Sub-Funds, including but not limited to the printing and distribution of sales literature and advertising and promotional costs; and

8) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business.

Each of the Directors of the Board of Directors will be entitled to remuneration for its/her/his services at the rate determined by the general meeting of Shareholders from time to time. In addition, each Director may be reimbursed reasonable travelling, hotel and other incidental expenses for attending and returning from board meetings or general meetings of Shareholders as well as for visiting the Investment Manager.

All recurring expenses will be charged first against current income, then should this not be sufficient, against realised capital gains, and, if need be, against assets.

The costs of establishing the Fund are estimated at EUR 50,000. The establishment costs may, at the discretion of the Board of Directors, be amortised on a straight line basis over 5 years from the date on which the Fund/Sub-Funds commenced business. The Board of Directors may, in their absolute discretion, shorten the period over which such costs are amortised.

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

Any costs, which are not attributable to a specific Sub-Fund, incurred by the Fund will be charged to all Sub-Funds in proportion to their average Net Asset Value. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

REPORTS AND FINANCIAL STATEMENTS

The financial year of the Fund ends on the 31st May in each year.

The audited annual reports and the unaudited semi-annual reports will comprise consolidated financial statements of the Fund expressed in EUR, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund. Audited annual reports will be published and made available to Shareholders within 4 months of the end of each financial year and unaudited semi-annual reports will be published and made available to Shareholders within 2 months of the end of the period they cover.

Copies of the annual and semi-annual reports and financial statements may be obtained free of charge from the registered office of the Fund.

DIVIDEND POLICY

Unless specified otherwise in the relevant Appendix, Shares are normally created as accumulating shares (i.e. their earnings are reinvested). These are distinguished by the suffix ("Acc").

Within each Sub-Fund, there may be created Shares which are entitled to regular distributions. These are distinguished by the suffix ("Dist").

If a distribution is declared by the Fund, it will be paid to each Shareholder concerned in the currency of the relevant Sub-Fund or Class, to the account specified on the Application Form at the time of subscription. In the case of joint Shareholders, payment will be made to the first named Shareholder. Shareholders may however specify in the Application Form that distributions will be reinvested by means of a subscription for further Distributing Shares of the Sub-Fund and Class to which such distributions relate.

Distributions are restricted by law in that they may not reduce the net assets of the Fund below the required minimum determined by Luxembourg Law.

In the event that a distribution is declared and remains unclaimed after a period of five years from the date of declaration, such distribution will be forfeited and will revert to the Sub-Fund or Class in relation to which it was declared.

However, no distributions will be made if their amount is below the amount of fifty EUR (50 EUR) or its equivalent in another currency or such other amount to be decided by the Directors. Such amount will automatically be reinvested.

Distributions may consist of income, capital gains and capital.

TAXATION

This information is based on the current Luxembourg law, regulations and practice and is subject to changes therein.

This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential Investor. Prospective Investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction.

Taxation of the Fund

There are no Luxembourg income, withholding or capital gains taxes payable by the Fund. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Fund.

The Fund is, however, subject in Luxembourg to an annual subscription tax ("*taxe d'abonnement*") at the rate of 0.05% (0.01% in case of Classes reserved to Institutional Investors) of its net assets calculated and payable at the end of each quarter. The value of assets represented by units held in other UCIs benefit from an exemption from the *taxe d'abonnement*, provided such units have already been subject to this tax.

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

The Fund is not subject to net wealth tax.

Taxation of the Shareholders

Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individuals Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

(i) the Shares are sold before or within 6 months from their subscription or purchase; or

(ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller, alone or with his/her spouse and underage children, has participated either directly or indirectly at any time during the five years preceding the date of the disposal in the ownership of more than 10% of the capital or assets of the Fund.

Distributions made by the Fund will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 43.6%. An additional temporary income tax of 0,5% (*impôt d'équilibrage budgétaire temporaire*) will be due by Luxembourg resident individuals subject to Luxembourg state social security scheme in relation to their professional and capital income.

Luxembourg resident corporate

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 29.22% (in 2016 for entities having their registered office in Luxembourg-City) on capital gains realised upon disposal of Shares and on the distributions received from the Fund.

Luxembourg resident corporate Investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment (UCI) subject to the Law, (ii) specialized investment funds subject to the law of 13 February 2007 on specialised investment funds, or (ii) family wealth management companies subject to the law of 11 May 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) a UCI subject to the Law, (ii) a vehicle governed by the law of 22 March 2004 on securitization, (iii) a company governed by the law of 15 June 2004 relating to the investment company in risk capital, (iv) a specialized investment fund subject to the law of 13 February 2007 on specialised investment funds or (v) a family wealth management company subject to the law of 11 May 2007 on family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

Non Luxembourg residents

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Fund and the Shares will not be subject to net wealth tax.

European Savings Directive

On 10 November 2015, the European Council adopted Council Directive (EU) 2015/2060 repealing Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments of 3 June 2003 (the "**Savings Directive**") from 1 January 2017 for Austria and from 1 January 2016 for all other EU Member States (i.e. the Savings Directive will no longer apply once all the reporting obligation concerning the calendar year 2015 will have been complied with).

Under the Savings Directive, European Union ("EU") member States (the "Member States") are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain limited types of entities (within the meaning of the Savings Directive) established in that other Member State.

Under the Luxembourg laws dated 21 June 2005, implementing the Savings Directive, as amended by the law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU ("Territories"), a Luxembourg-based paying agent is required since 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal details on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

Automatic Exchange of Information

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive applies the first time by 30 September 2018 for the calendar year 2017, i.e. the Savings Directive will apply one year longer.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. The Fund shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will *inter alia* be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.
In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

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

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

Foreign Account Tax Compliance Act ("FATCA")

The Foreign Account Tax Compliance Act, a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with this IGA as, implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Fund’s compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Management Company, in its capacity as such, may:

a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder’s FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder’s FATCA status;

b. report information concerning a Shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under FATCA Law and the Luxembourg IGA;

c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;

d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA and the FATCA Law and the Luxembourg IGA; and

e. divulge any such personal information to any immediate payor of certain US source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will *inter alia* be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to FATCA-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Fund reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

GENERAL AND STATUTORY INFORMATION

The information in this section includes a summary of some of the provisions of the Articles and Material Contracts described below and is provided subject to the general provisions of each of such documents.

1. <u>The Fund</u>

The Fund was incorporated as an open-ended investment company (*société d'investissement à capital variable* – SICAV) with multiple compartments on 8 April 2014. The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited. On incorporation all the shares representing the initial capital were subscribed for and were fully paid. The Articles were published in the *Mémorial, Recueil des Sociétés et Associations* (the "Mémorial") on 28 April 2014 and were amended for the last time on 14 January 2016.

2. Segregation principle

The rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of the Shareholders in relation to that Sub-Fund and the rights of the creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund. For the purpose of the relations between Shareholders, each Sub-Fund is deemed to be a separate entity.

3. Share Capital

The capital of the Fund will always be equal to the value of its net assets. The Shares are of no par value and must be issued fully paid. The Shares carry no preferential or pre-emption rights and each full Share is entitled to one vote at all meetings of Shareholders.

4. Temporary suspension of Net Asset Value calculations and of issues, redemption and conversion of Shares

The Board of Directors may suspend the determination of the Net Asset Value and hence the issue, redemption and conversion of Shares if, at any time, the Board of Directors believes that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise:

(a) if any exchange or Regulated Market on which a substantial portion of any Sub-Fund's investments is quoted or dealt in, is closed, or if dealings on any such exchange or market are restricted or suspended;
(b) if the disposal of investment by any Sub-Fund cannot be effected normally or without seriously prejudicing the interests of the Shareholders or the Fund;
(c) during any breakdown in the communications normally employed in valuing any of the assets or when for any reason the price or value of any of the assets attributable to a Sub-Fund cannot promptly and accurately be ascertained; or
(d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange.

(e) in case of a decision to liquidate the Fund or a Sub-Fund hereof on or after the day of publication of the related notice to Shareholders;

(f) during any period when in the opinion of the Board of Directors there exist circumstances outside of the control of the Fund where it would be impracticable or unfair towards the Shareholders to continue dealing in a Sub-Fund; and

(g) during any period when the determination of the Net Asset Value per Share of investment funds representing a material part of the assets of the relevant Sub-Fund is suspended.

Furthermore, and in accordance with the provisions on mergers of the Law, the Fund may temporarily suspend the subscription, the redemption or the conversion of Shares in case of a merger of a Sub-Fund, provided that such suspension is justified for the protection of the Shareholders.

No Shares of the relevant Sub-Fund will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Registrar and Transfer Agent before the suspension is lifted. Unless withdrawn, subscriptions for Shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Subscription Price, Redemption Price or Conversion Price (as the case may be) then prevailing.

Notice of any such suspension may be published at the sole discretion of the Board of Directors and will be notified to all persons who have applied for, or requested the redemption or conversion of, Shares. The Board of Directors may also, at their discretion, decide to make a publication in newspapers of the countries in which the Fund's Shares are offered for sale to the public.

Such a suspension in any Sub-Fund shall have no effect on the calculation of the Net Asset Value, the issue, redemption and conversion of the Shares of any other Sub-Fund.

5. Publication of Prices

The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price may be obtained from the registered office of the Fund. The Net Asset Value per Share of each Class will also be published on www.finesti.com. The Board of Directors may discontinue such publication or undertake publications in other media at its sole discretion.

6. Meetings

The annual general meeting of Shareholders 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.

The annual general meeting shall be held on the last Friday of September or, if this happens to be an official holiday in Luxembourg, on the next business day thereafter. If permitted by and under the conditions set forth in Luxembourg laws and regulations, the annual general meeting may be held at a date, time or place other than those set forth in this paragraph, that date, time or place to be decided by the Board of Directors.

Shareholders will be convened in accordance with Luxembourg law. The convening notices shall include details of the time and place of the meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.

The notice of any general meeting of Shareholders may also provide that the quorum and the majority of such general meeting shall be determined by reference to the Shares issued and outstanding at midnight on the fifth day preceding the day on which such meeting of Shareholders will be held (the "Record Date"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

In accordance with the Fund's Articles and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the general meeting of all Shareholders of the Fund. Any decisions affecting Shareholders in one or several Sub-Funds/Classes may be taken by just those Shareholders in the relevant Sub-Funds/Classes to the extent that this is allowed by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles shall apply.

7. Liquidation of the Fund

The Fund may be liquidated:

- by resolution of the general meeting of Shareholders of the Fund adopted in the manner required for amendments of the Articles.
- if its capital falls below two thirds of the minimum capital, which is EUR 1,250,000. The Board of Directors must submit the question of dissolution of the

Fund to a general meeting for which no quorum shall be prescribed and which shall decide by simple majority of the Shares represented at the meeting.

- if its capital falls below one fourth of the minimum capital, the Board of Directors must submit the question of the dissolution to a general meeting for which no quorum shall be prescribed. Dissolution may be resolved by Shareholders holding one fourth of the Shares at the meeting.

Should the Fund be liquidated, then the liquidation will be carried out in accordance with the provisions of the Law. Amounts unclaimed at the close of liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg for the benefit of the persons entitled thereto. Amounts not claimed within the prescription period may be forfeited in accordance with applicable provisions of Luxembourg law.

8. Liquidation and merger of Sub-Funds

Under the conditions set out in the Law and applicable regulations, any merger of a Sub-Fund with another Sub-Fund or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for the merger to the meeting of Shareholders of the Sub-Fund concerned. In the latter case, no quorum is required for this meeting and the decision for the merger is taken by a simple majority of the votes cast. In the case of a merger of a Sub-Fund where, as a result, the Fund ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of Shareholders resolving with a simple majority of the votes cast.

In addition, if at any time the Board of Directors determines upon reasonable grounds that:

(i) in order to proceed to an economic rationalisation;
(ii) in the event that a change in the economic or political situation relating to a Sub-Fund so justifies; or
(iii) in the event that the total Net Asset Value of any Sub-Fund is less than the amount which the Board of Directors considers as being the minimum amount required for the existence of such Sub-Fund in the interest of the Shareholders,

then, the Board of Directors may decide the liquidation of a Sub-Fund. Shareholders will be notified and the notice will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund concerned will be deposited with the Caisse de Consignation on behalf of their beneficiaries.

The Board of Directors may also submit the question of the liquidation of a Sub-Fund to the Shareholders concerned and such meeting will resolve on such liquidation with a simple majority.

9. Consolidation/split of Classes

The Board of Directors may also, subject to regulatory approval (if required), decide to consolidate or split any Classes within a Sub-Fund. To the extent required by Luxembourg law, such decision will be published or notified in the same manner as described above and the publication and/or notification will contain information in relation to the proposed split or consolidation. The Board of Directors may also decide to submit the question of the consolidation or split of Class(es) to a meeting of holders or such Class(es). No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:

(A) A management company agreement dated as of 9 April 2014 between the Fund and the Management Company, pursuant to which the latter was appointed management company of the Fund, subject to the overall control of the Board of Directors, with responsibility on a day-to-day basis, for providing administration, marketing and investment management in respect of all the Sub-Funds of the Fund.

(B) An agreement with BNP Paribas Securities Services, succursale de Luxembourg pursuant to which the latter was appointed as Paying Agent and Depositary of the Fund.

(C) A domicile and listing agency agreement between the Fund and BNP Paribas Securities Services, succursale de Luxembourg pursuant to which the latter was appointed as Domiciliary Agent and listing agent of the Fund.

(D) A central administration agreement dated as of 30 April 2014 between the Management Company, the Fund and BNP Paribas Securities Services, succursale de Luxembourg pursuant to which the latter was appointed as Administrator and Registrar and Transfer Agent of the Fund.

Any of the above Agreements may be amended by mutual consent of the parties, consent on behalf of the Fund being given by the Board of Directors.

11. Documents available for inspection

The following documents are available for inspection at the registered office of the Fund and at the office of the Depositary:

1. the Articles of Incorporation of the Fund, the Prospectus of the Fund and the KIIDs of the Sub-Funds; and
2. the Material Contracts as listed above.

Copies of the Articles of Incorporation, the Prospectus, the annual and semi-annual reports of the Fund and the KIID of each Sub-Fund may be obtained from the registered office of the Fund. Such reports shall be deemed to form part of the Prospectus.

SUB-FUND APPENDICES

LFIS Vision UCITS

APPENDIX 1: LFIS Vision UCITS – Premia

Investment Objective and Policy

The investment objective of the Sub-Fund is to seek stable returns with a low correlation to traditional markets and a target annualised volatility comprised between 5% and 10%, under normal market conditions (it being understood that the Sub-Fund realised annualised volatility could be higher or lower).

To achieve this investment objective, the Sub-Fund will implement an investment policy seeking to capture premia linked to several risk/style factors across different asset classes.

The universe of risk/style factors includes (without limitation): "value" (consisting of buying the assets that are the most undervalued or less overvalued according to their fundamentals and simultaneously selling the assets that are the most overvalued or less undervalued), "carry" (consisting of buying the assets with the highest carry and simultaneously selling the assets with the lowest carry), "short-term reversal" (consisting of buying the assets that have underperformed over a short-term horizon and simultaneously selling the assets that have outperformed over the same period), "medium-term momentum" (consisting of buying the assets that have outperformed over a medium term horizon and simultaneously selling the assets that have underperformed over the same period), "low risk" (consisting of combining long leveraged exposures to less risky assets and short exposures to riskier assets), "asset class beta" (consisting of long exposures to the different asset classes), this universe not being exhaustive as the Investment Manager will constantly analyse eligible asset classes to identify new opportunities. The risk/style factors selected within the investment policy have to be explainable (existence being rationalized by economic, behavioural and/or institutional intuitions), established (well-documented by academics and practitioners) and attractive (positive returns over long periods of time).

The asset classes to which the Sub-Fund will gain direct or indirect exposure include: equities, bonds and currencies, primarily issued or guaranteed by an issuer or institution in OECD member states and on an ancillary basis of issuers in emerging countries. The Sub-Fund may also gain exposure to other UCITS eligible asset classes.

The Sub-Fund's portfolio will be allocated to different building blocks (several risk/style premia for each asset class) so as to deliver a recurrent return through diversification. Such allocation will evolve over time as a function of perceived market opportunities and risks.

Within each asset class, risk/style premia will be captured by building long and short positions, through the use of eligible indices (i.e. that comply with article 9 of Grand Ducal Regulation of 8 February 2008 and CSSF circular 14/592 relating to ESMA guidelines on ETFs and other UCITS issues) and financial derivative instruments (such as equity futures, bond futures, credit default swaps, total return swaps, currency forwards, non-deliverable forwards, options, variance swaps, etc.), remaining always within the limits of the "Investment Restrictions" of the general part of the Prospectus.

If the Investment Manager deems it necessary for defensive purposes and on a temporary basis, the Sub-Fund may invest 100% of its net assets in short-term bonds, money market instruments, deposits, units or shares of money market UCIs or in cash.

Specific Investment Restrictions

The Sub-Fund will not invest more than 10% of its net assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

Investment Manager

La Française Investment Solutions, 128, boulevard Raspail, F-75006 Paris, France.

Profile of the typical Investor

The Sub-Fund employs an investment strategy which is complex, involves numerous risks, and may employ leverage through the use of derivatives and therefore potentially lead to high levels of volatility in returns. The Sub-Fund is intended only for those investors who understand these strategies and associated risks, are more concerned with maximising long term returns than minimising possible short term losses and can bear the risk of losing a substantial part of their investment. Investors must be aware that they may not recover their initial investments and should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

Prospective investors should consult their financial, tax and legal advisors, as appropriate, in order to determine whether or not the Sub-Fund is a suitable investment for them.

Reference Currency

The reference currency of the Sub-Fund is the EUR.

Dividend policy

Income and capital gains arising in the Sub-Fund in relation to Class I (Acc) Shares, Class IS (Acc) Shares, Class EB (Acc) Shares, Class R (Acc) Shares, Class M (Acc) Shares and Class RE (Acc) Shares will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation to Class I (Dist) Shares, Class IS (Dist) Shares, Class EB (Dist) Shares, Class M (Dist) Shares and Class R (Dist) Shares will be distributed in part or in total at least annually.

Classes

Classes	Eligible investors	Minimum initial subscription amount and minimum holding amount	Minimum subsequent investment	Management Fee
Class I Shares	Institutional Investors	EUR 250,000 or the equivalent in the currency of the Class concerned	N/A	up to 1.50% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class IS Shares	Institutional Investors	EUR 1,000,000 or the equivalent in the currency of the Class concerned	N/A	up to 1.25% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class M Shares	All investors	N/A	N/A	up to 1.25% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class EB Shares	Institutional investors**	EUR 50,000 or the equivalent in the currency of the Class concerned***	N/A	up to 1% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class R Shares	All investors	N/A	N/A	up to 2.25% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class RE	Any investor being the employee of the Investment Manager and/or any of its affiliates	N/A	N/A	up to 2% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*

* In addition, certain minimum charges may apply.

** Means any Investor having received approval of the Investment Manager for such investment. It is expected that no further subscription will be accepted once the assets of the Sub-Fund reach EUR 300 million or such other amount as determined by the Investment Manager.

***The Investment Manager has been authorised to waive the minimum initial subscription amount and minimum holding amount and hence to approve subscriptions by Institutional Investors which subscribe an amount below the minimum initial subscription amount and minimum holding amount.

All Share Classes (except Class RE) are available in EUR, USD, GBP, CAD, SEK, NOK, JPY, HKD and CHF as distribution or accumulation Shares.

Class RE is only available in EUR as accumulation Shares.

For Classes denominated in a currency other than reference currency of the Sub-Fund, the intention is to hedge the value of the net assets against the reference currency of the Sub-Fund or the currency exposure of certain (but not necessarily all) assets of the relevant Sub-Fund against the currency of the hedged Class.

Investors should be aware that any currency hedging process may not give a complete hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in such hedged Classes should consult section "VII. Risk Factors" in relation to risks associated with hedging.

Valuation Day

The Net Asset Value of each Class will be calculated daily, as of each Business Day which is an Exchange Business Day (each a "**Valuation Day**").

Business Day, Exchange Business Day

A Business Day means a full day on which banks are normally open for business in Paris and Luxembourg. 24 December shall not be considered as a Business Day.

An Exchange Business Day means a day other than (1) (i) a day observed as a holiday on a stock exchange which (a) is the principal market for a significant proportion of the Sub-Fund’s investment or (b) is a market for a significant proportion of the Sub-Fund's investment or (c) is comprised in the Related Exchanges List (as defined below) (the "Stock Exchange") or (ii) a day upon which the Stock Exchange closes before its scheduled closing time or (2) a day that is a holiday elsewhere and impedes the calculation of the fair market value of the investments of the Sub-Fund(s).

Related Exchanges List: CBOT, LIFFE, EUREX, EURONEXT, NYSE, CME.

The list of the Business Days which are Valuation Days for each semi-annual period will be available at the registered office of the Fund.

Subscriptions

Investors may subscribe for Shares in Class I, Class IS, Class EB, Class M and Class R Shares in the available currencies during an Initial Offering Period, the beginning and duration of which will be determined by the Board of Directors at its sole discretion at a fixed price that will also be determined by the Board of Directors at its sole discretion.

Any Initial Offering Period may be prolonged by a decision of the Board of Directors at its sole discretion.

Thereafter, Shares are available for subscription on each Valuation Day at the applicable Net Asset Value.

Subject to the minimum initial subscription amounts and minimum holding amounts as described under "Classes" above, subscriptions for Shares may be made in amounts or in number of Shares. Fractions of Shares may be issued up to at least three decimal places.

Applications for Shares must be received by the Registrar and Transfer Agent by no later than 12 noon on the relevant Valuation Day ("**Cut-off time**") to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day. The issue of Shares is conditional upon receipt of subscription monies within two (2) Business Days of the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share calculated as of the next Valuation Day.

A Subscription Charge, not exceeding respectively (i) five (5)% (for Class M Shares) and (ii) two (2)% (for Class R Shares) of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Net Asset Value, may be added for the purpose of compensating the Distributors and financial intermediaries who assist in placing the Shares.

Redemptions

Shares are redeemable at the option of the Shareholders. Redemptions may be made in number of Shares or in amounts.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than at 12 noon on the relevant Valuation Day ("**Cut-off time**") in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share calculated as of the next Valuation Day.

Payment of redemption proceeds will normally be made within three (3) Business Days after the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

Conversion

Conversion of Shares (i) of this Sub-Fund into Shares of other Sub-Funds (ii) or of other Sub-Funds into Shares of this Sub-Fund, are not permitted.

Conversions of Shares of any Class of this Sub-Fund into Shares of another Class of this Sub-Fund are permitted in accordance with the conversion procedure as set forth in the section "Conversions" of the general part of the Prospectus.

Performance Fee

The Investment Manager will also be entitled to receive from the Sub-Fund a Performance Fee, for each Calculation Period (as defined below), with respect to each Class available, equal to the Performance Fee Rate (not exceeding the percentage amount indicated in the table below) multiplied by the Net New Appreciation (as defined below) of the relevant Class.

The "Net New Appreciation" means, with respect to each Class, the positive difference between (i) the Net Asset Value of the Class (net of all deductible fees and expenses, including any Management Fee; but for the purpose of calculating the Performance Fee, not reduced by the Performance Fee) and (ii) the relevant High Water Mark (as defined below).

The "High Water Mark" means, with respect to each Class, the net asset value of a notional reference fund (the "Reference NAV") (a) denominated in the same currency and bearing the same expenses (excluding the Performance Fee for the relevant Class), and recording the same subscriptions (expressed in amounts), and redemptions (expressed in a fraction of the outstanding net assets) than the Class and (b) achieving a performance since the beginning of trading of the Sub-Fund based on the "Hurdle Rate" (as defined below).

At the end of each Calculation Period, for which a Performance Fee in respect of a given Class is paid (or becomes payable) to the Investment Manager, the net assets level of the Reference Fund in respect of the relevant Class is reset to the level of the Net Asset Value of the relevant Class as at the end of such Calculation Period.

"Calculation Period" means (i) the period between the day immediately following the last Business Day of the preceding Calculation Period (inclusive) and the last Business Day of the current financial year (inclusive), or (ii) for the first Calculation Period (the "Initial Calculation Period"), the period beginning on the date on which the Class commenced trading (inclusive) and ending on the last Business Day of the financial year during which the relevant Class has been launched (inclusive).

The Performance Fee will be deemed to accrue as at each Valuation Day.

The Performance Fee is normally payable by the Fund to the Investment Manager in arrears at the end of each Calculation Period within fifteen (15) Business Days after the end of such Calculation Period. If the Sub-Fund is terminated before the end of a Calculation Period, the Performance Fee in respect of the Calculation Period will be calculated and paid as if the date of termination was the end of the relevant Calculation Period.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Calculation Period for the relevant Class.

Shareholders should note that the Sub-Fund does not perform equalization or issue of series of Shares for the purpose of determining the Performance Fee. The use of equalization or issue of series of Shares ensures that the performance fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund. Shareholders may therefore be advantaged or disadvantaged as a result of this method of calculation and the non-performance of any equalization.

Shareholders should further note that, in the case where they have redeemed their Shares before the end of any Calculation Period for a given Class, any accrued but unpaid Performance Fee in respect of their holding during such period will be kept and paid to the Investment Manager, even if this Performance Fee should not be paid to it at the end of the said period.

Classes	Performance Fees
Class I Shares	Up to 20%
Class IS Shares	Up to 15%
Class M Shares	Up to 15%
Class EB Shares	Up to 10%
Class R Shares	Up to 20%
Class RE Shares	None

Hurdle Rate means:

- EONIA (Euro OverNight Index Average) capitalized, for classes denominated in EUR;
- Fed Funds Capitalised, for classes denominated in USD;
- SONIA (Sterling OverNight Index Average), capitalised for classes denominated in GBP;
- SARON (Swiss Average Rate Overnight) capitalised, for classes denominated in CHF.

Risk Management

The global exposure relating to this Sub-Fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the Sub-Fund, under normal market conditions, calculated as the "Sum of the Notional" of the financial derivative instruments used, is expected to be 800% although lower and higher levels are possible.

Investors should note that there is possibility of higher leverage levels in certain circumstances, e.g. where the Investment Manager may make more extensive use of financial derivative instruments for investment purposes (within the limits of the Sub-Fund’s investment objective) as opposed to a more limited use for hedging or efficient portfolio management purposes.

The expected levels of leverage indicated above reflect the use of all derivative instruments within the portfolio of the Sub-Fund. An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk.

Shareholders should note that the "Sum of Notional" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes.

The "Sum of Notional" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements.

Upon request of an investor, the Investment Manager will provide additional information relating to the quantitative limits that apply in the risk management of the Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

APPENDIX 2: LFIS Vision UCITS – Equity Defender

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide investors with an asymmetric exposure to the performance of the equity markets of the eurozone.

The Sub-Fund seeks to capture a significant portion of the positive performance of the eurozone equity markets (the objective is to capture 2/3 of the upward trends of eurozone equity markets) while reducing exposure to negative performance of the eurozone equity markets (the objective is to capture 1/3 of the downward trends of eurozone equity markets).

To achieve this investment objective, the Sub-Fund will implement an investment strategy focusing on two main sub-strategies:

(i) Core equity exposure which seeks to capture the performance of major large capitalisation stocks of the eurozone (the "Core Equity Allocation"). The Core Equity Allocation may be implemented through direct investment in the relevant stocks and/or the use of financial derivative instruments, traded on Regulated Markets and/or over-the-counter.

(ii) Systematic overlay strategy which seeks to reduce the downside risk and volatility of the above mentioned Core Equity Allocation, through the use of equity linked derivative instruments (traded on Regulated Markets and/or over-the-counter). This overlay strategy will, in particular, involve the systematic implementation of long positions in put option contracts linked to various liquid equity indices of the eurozone for 100% of the relevant nominal value of the Core Equity Allocation. Such put options will have strikes between 80% and 90% and maturities between 3 months and 18 months at the time of purchase. The premium of these long put positions will be financed through the sale of shorter term call options linked to the relevant equity indices of the eurozone, while maintaining the net positive exposure of the Sub-Fund to the equity markets of the eurozone.

The overall beta of the Core Equity Allocation to the main eurozone equity indices will be closely monitored and managed with the purpose of maintaining it between 90% and 110%, in order to facilitate the implementation of the overlay strategy.

The Sub-Fund may invest part of its net assets in short-term bonds, money market instruments, deposits, units or shares of money market UCIs and repos. Such investments may represent up to 100% of the assets held by the Sub-Fund's, in the particular situations where the exposure to the Core Equity Allocation is implemented through the use of financial derivative contracts.

Specific Investment Restrictions

The Sub-Fund will not invest more than 10% of its net assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

Investment Manager

La Française Investment Solutions, 128, boulevard Raspail, F-75006 Paris, France.

Profile of the typical Investor

The Sub-Fund employs an investment strategy which is complex, involves numerous risks, and may employ leverage through the use of derivatives and therefore potentially lead to high levels of volatility in returns. The Sub-Fund is intended only for those investors who understand these strategies and associated risks, are more concerned with maximising long term returns than minimising possible short term losses and can bear the risk of losing a substantial part of their investment. Investors must be aware that they may not recover their initial investments and should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

Prospective investors should consult their financial, tax and legal advisors, as appropriate, in order to determine whether or not the Sub-Fund is a suitable investment for them.

Reference Currency

The reference currency of the Sub-Fund is the EUR.

Dividend policy

Income and capital gains arising in the Sub-Fund in relation to Class I (Acc) Shares, Class I1 (Acc) Shares, Class I2 (Acc) Shares and Class R Shares will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation to Class I (Dist) Shares, Class I1 (Dist) Shares and Class I2 (Dist) Shares will be distributed in part or in total at least annually.

Classes

Classes	Eligible investors	Minimum initial subscription amount and minimum holding amount	Minimum subsequent investment	Management Fee
Class I Shares	Authorised Institutional Investors**	EUR 3,000,000 or the equivalent in the currency of the Class concerned	1,000 EUR	up to 0.50% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class I1 Shares	Institutional Investors	EUR 3,000,000 or the equivalent in the currency of the Class concerned	1,000 EUR	up to 0.50% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class I2 Shares	All investors	EUR 500,000 or the equivalent in the currency of the Class concerned	1,000 EUR	up to 0.80% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class R Shares	All investors	N/A	N/A	up to 1.5% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*

* In addition, certain minimum charges may apply.
** means any institutional investor being an affiliate of Crédit Mutuel Nord Europe or of La Française Group.

Class I Shares, I1 Shares, I2 Shares are available in EUR and as distribution or accumulation Shares.

Class R Shares are available in EUR as accumulation Shares.

Valuation Day

The Net Asset Value of each Class shall be calculated daily as of each Business Day (a "**Valuation Day**").

If any such Business Day is not an Exchange Business Day, the Valuation Day shall be the following Business Day which is an Exchange Business Day.

Business Day, Exchange Business Day

A Business Day means a full day on which banks are normally open for business in Paris and Luxembourg. 24 December shall not be considered as a Business Day.

An Exchange Business Day means a day other than (1) (i) a day observed as a holiday on a stock exchange which (a) is the principal market for a significant proportion of the Sub-Fund's investment or (b) is a market for a significant proportion of the Sub-Fund's investment or (c) is comprised in the Related Exchanges List (as defined below) (the "Stock Exchange") or (ii) a day upon which the Stock Exchange closes before its scheduled closing time or (2) a day that is a holiday elsewhere and impedes the calculation of the fair market value of the investments of the Sub-Fund(s).

Related Exchanges List: EUREX, EURONEXT.

The list of the Business Days which are Valuation Days are available at the registered office of the Fund. Investors should consult this list before transacting in Shares of the Sub-Fund.

Subscriptions

Investors may subscribe for newly launched Shares during an Initial Offering Period, the beginning and duration of which will be determined by the Board of Directors at its sole discretion at a fixed price that will also be determined by the Board of Directors at its sole discretion.

Any Initial Offering Period may be prolonged by a decision of the Board of Directors at its sole discretion.

Thereafter, Shares are available for subscription on each Valuation Day at the applicable Net Asset Value.

Subject to the minimum initial subscription amounts and minimum holding amounts as described under "Classes" above, subscriptions for Shares may be made in amounts or in number of Shares. Fractions of Shares may be issued up to at least three decimal places.

Applications for Shares must be received by the Registrar and Transfer Agent no later than 12 noon (Luxembourg time) on the relevant Valuation Day ("**Cut-off time**") in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. The issue of Shares is conditional upon receipt of subscription monies within two (2) Business Days after the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent on the relevant Valuation Day after the applicable Cut-off time will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

A Subscription Charge, not exceeding three (3)% (for Classes R Shares) of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Net Asset Value, may be added for the purpose of compensating the Distributors and financial intermediaries who assist in placing the Shares.

Redemptions

Shares are redeemable at the option of the Shareholders. Redemptions may be made in number of Shares or in amounts.

Completed redemption requests must be received by the Registrar and Transfer Agent no later than 12 noon (Luxembourg time) on the relevant Valuation Day ("**Cut-off time**") in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Payment of redemption proceeds will normally be made within two (2) Business Days after the relevant Valuation Day.

Redemption requests received by the Registrar and Transfer Agent on the relevant Valuation Day after the applicable Cut-off time will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

Conversion

Conversion of Shares (i) of this Sub-Fund into Shares of other Sub-Funds (ii) or of other Sub-Funds into Shares of this Sub-Fund, are not permitted.

APPENDIX 3: LFIS Vision UCITS – Perspective Strategy

Investment Objective and Policy

The investment objective of the Sub-Fund is to seek, over an investment horizon of at least 8 years, an annualised performance of at least 4% after deduction of all fees and expenses charged to the Sub-Fund.

In order to achieve the investment objective, the Sub-Fund will implement a diversified and discretionary investment strategy seeking to build strategic and tactical investments focusing primarily on the European equity and debt markets, while keeping the possibility to make investments out of the other international equity and debt markets as well as forex markets.

The specificity of the Sub-Fund is that it uses both cash and derivatives instruments on various markets to build its exposure to traditional asset classes.

The investment policy aims at positioning the Sub-Fund as an alternative investment to equity-linked structured notes by building exposures similar to those incorporated in such structured notes, in a more efficient manner.

The Investment Manager identifies the various source of remuneration and risks of structured notes and associates each of them to a related Sub-Fund's bucket. The Investment Manager manages each of these Sub-Fund's buckets independently, being able to invest in each Sub-Fund's bucket through efficient instruments in terms of remuneration for the risk.

The sources of remuneration and risks embedded in equity-linked structured notes, identified by the Investment Manager are as follows:

- Cash management: the remuneration that can be generated from investing cash for a certain period of time without credit or market risk;
- Rates exposure/Duration risk: the remuneration of the risk relating to long duration position;
- Credit risk: the remuneration of credit risk taken on a private issuer;
- Equity indexations of:
    - (i) coupons: the additional remuneration coming from risks relating to indexing coupons to the performance of equities; and
    - (ii) principal repayment: the additional risk related to the repayment of the principal, embedded in some equity structured notes, which is typically equivalent to equity linked options selling.

Regarding each of the sources of risks and remuneration identified above, the Investment Manager aims at selecting, for the purpose of building the investments of the Sub-Fund's buckets relating to the relevant sources of risks and remuneration, the instruments offering the best risk / rewards, by confronting both its expectations on the evolution of traditional assets classes and the relative cheapness/expensiveness in both securities and derivatives markets:

- Investment of cash: this bucket involves the use of financial instruments such as negative basis trades (incorporating long positions on bonds and purchase of credit protections through Credit Default Swaps), repo, monetary funds;
- Duration risk: this bucket involves the use of financial instruments such as bonds, swap rates, futures on bonds;
- Credit risk: this bucket involves the use of financial instruments such as bonds, credit default swaps, standard tranches on various indices;
- Equity indexations: this bucket involves the use of financial instruments such as options on indices, dealt in on a Regulated Market and/or Over-The-Counter.

The Investment Manager manages each bucket independently from the others: for instance, the Investment Manager may have a very different sensitivity to interest rates on its credit risk related bucket than on its duration risk related bucket.

The Investment Manager may if necessary implement investments which aim to globally adjust the exposure of the Sub-Fund's portfolio to interest rates, equities markets and implicit parameters sensitivity with the view to remaining within a risk controlled framework.

The Investment Manager seeks to optimize the implementation of the investments strategies through the use of financial derivatives instruments dealt in on a Regulated Market and/or Over-The-Counter (including but not limited to options on indices and other eligible assets, CDS, futures and forwards, total return swaps, etc.).

For liquidity management purposes, the Sub-Fund may invest in short-term bonds, money market instruments, deposits, units or shares of money market UCIs and may use efficient portfolio management techniques (repos).

Investment Manager

La Française Investment Solutions, 128, boulevard Raspail, F-75006 Paris, France.

Profile of the typical Investor

The Sub-Fund employs an investment strategy which is complex, involves numerous risks, and may employ leverage through the use of derivatives and therefore potentially lead to high levels of volatility in returns. The Sub-Fund is intended only for those investors who understand these strategies and associated risks, are more concerned with maximising long term returns than minimising possible short term losses and can bear the risk of losing a substantial part of their investment. Investors must be aware that they may not recover their initial investments and should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

Prospective investors should consult their financial, tax and legal advisors, as appropriate, in order to determine whether or not the Sub-Fund is a suitable investment for them.

Reference Currency

The reference currency of the Sub-Fund is the EUR.

Dividend policy

Income and capital gains arising in the Sub-Fund in relation to Class I (Acc) and Class IS (Acc) Shares will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation to Class I (Dist) Shares and Class IS (Dist) Shares will be distributed (in part or in total) at least annually.

Classes

Classes	Eligible investors	Minimum initial subscription amount and minimum holding amount	Minimum subsequent investment	Management Fee
Class I Shares	Institutional Investors	EUR 5,000,000	100,000 EUR or equivalent	up to 0.55% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class IS Shares	French alternative investment fund managed by the Management Company and approved as feeder of the Sub-Fund (the "French Feeder")	n/a	n/a	up to 0.55% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*

* In addition, certain minimum charges may apply.

Class I Shares and Class IS Shares are available in EUR as distribution or accumulation Shares.

For Classes denominated in a currency other than reference currency of the Sub-Fund, the intention is to hedge the value of the net assets against the reference currency of the Sub-Fund or the currency exposure of certain (but not necessarily all) assets of the relevant Sub-Fund against the currency of the hedged Class.

Investors should be aware that any currency hedging process may not give a complete hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in such hedged Classes should consult section "VII. Risk Factors" in relation to risks associated with hedging.

Valuation Day

The Net Asset Value of each Class shall be calculated weekly as of each Wednesday (a "**Valuation Day**").

If any such day is not a Business Day and/or not an Exchange Business Day, the Valuation Day shall be the following Business Day which is an Exchange Business Day.

Business Day, Exchange Business Day

A Business Day means a full day on which banks are normally open for business in Paris and Luxembourg. 24 December shall not be considered as a Business Day.

An Exchange Business Day means a day other than (1) (i) a day observed as a holiday on a stock exchange which (a) is the principal market for a significant proportion of the Sub-Fund’s investment or (b) is a market for a significant proportion of the Sub-Fund's investment or (c) is comprised in the Related Exchanges List (as defined below) (the "Stock Exchange") or (ii) a day upon which the Stock Exchange closes before its scheduled closing time or (2) a day that is a holiday elsewhere and impedes the calculation of the fair market value of the investments of the Sub-Fund(s).

Related Exchanges List: EUREX, EURONEXT.

The list of Business Days which are Valuation Days are available at the registered office of the Fund. Investors should consult this list before transacting in Shares of the Sub-Fund.

Subscriptions

An initial offer of Shares of Class I Shares (EUR) of this Sub-Fund will take place at such date and initial offering price as decided by the Board of Directors at its discretion.

The Class IS Shares (EUR) of this Sub-Fund will be launched, at such date as decided by the Board of Directors with the initial offering price of such Class IS Shares reflecting as closely as possible the net asset value per share of the French Feeder prevailing as at such date.

Any Initial Offering Period may be prolonged by a decision of the Board of Directors at its sole discretion.

Thereafter, Shares are available for subscription on each Valuation Day at the applicable Net Asset Value.

Subject to the minimum initial subscription amounts and minimum holding amounts as described under “Classes” above, subscriptions for Shares may be made in amounts or in number of Shares. Fractions of Shares may be issued up to at least three decimal places.

Applications for Shares must be received by the Registrar and Transfer Agent on the relevant Valuation Day at 12 noon to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. The issue of Shares is conditional upon receipt of settlement within two (2) Business Days of the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

Redemptions

Shares are redeemable at the option of the Shareholders. Redemptions may be made in number of Shares or in amounts.

Completed redemption requests should be sent to the Registrar and Transfer Agent on the relevant Valuation Day at 12 noon in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

Payment of redemption proceeds will normally be made within five (5) Business Days after the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

Conversion

Conversion of Shares (i) of this Sub-Fund into Shares of other Sub-Funds (ii) or of other Sub-Funds into Shares of this Sub-Fund, are not permitted.

Performance Fee

The Investment Manager will also be entitled to receive from the Sub-Fund a Performance Fee, for each Calculation Period (as defined below), with respect to each Class available, equal to the Performance Fee Rate (not exceeding the percentage amount indicated below) multiplied by the Net New Appreciation (as defined below) of the relevant Class.

The "Net New Appreciation" means, with respect to each Class, the positive difference between (i) the Net Asset Value of the Class (net of all deductible fees and expenses, including any Management Fee; but for the purpose of calculating the Performance Fee, not reduced by the Performance Fee) and (ii) the relevant High Water Mark (as defined below).

The "High Water Mark" means, with respect to each Class, the net asset value of a notional reference fund (the "Reference NAV") (a) denominated in the same currency and bearing the same expenses (excluding the Performance Fee for the relevant Class), and recording the same subscriptions (expressed in amounts), and redemptions (expressed in a fraction of the outstanding net assets) than the Class and (b) achieving a performance since the beginning of trading of the Sub-Fund based on the "Hurdle Rate" (as defined below).

At the end of each Calculation Period, for which a Performance Fee in respect of a given Class is paid (or becomes payable) to the Investment Manager, the net assets level of the Reference Fund in respect of the relevant Class is reset to the level of the Net Asset Value of the relevant Class as at the end of such Calculation Period.

"Calculation Period" for each Class of Shares means (i) the period between the day immediately following the last Business Day of the preceding Calculation Period (inclusive) and the last day of the month of July (inclusive) or (ii) for the first Calculation Period (the "Initial Calculation Period"), the period beginning on the date on which the Class commenced trading (inclusive) and ending on the last day of the month of July following the launch of the relevant Class (inclusive).

The Performance Fee will be deemed to accrue as at each Valuation Day.

The Performance Fee is normally payable by the Fund to the Investment Manager in arrears at the end of each Calculation Period within fifteen (15) Business Days after the end of such Calculation Period. If the Sub-Fund is terminated before the end of a Calculation Period, the Performance Fee in respect of the Calculation Period will be calculated and paid as if the date of termination was the end of the relevant Calculation Period.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Calculation Period for the relevant Class.

Shareholders should note that the Sub-Fund does not perform equalization or issue of series of Shares for the purpose of determining the Performance Fee. The use of equalization or issue of series of Shares ensures that the performance fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund. Shareholders may therefore be advantaged or disadvantaged as a result of this method of calculation and the non-performance of any equalization.

Shareholders should further note that, in the case where they have redeemed their Shares before the end of any Calculation Period for a given Class, any accrued but unpaid Performance Fee in respect of their holding during such period will be kept and paid to the Investment Manager, even if this Performance Fee should not be paid to it at the end of the relevant Calculation Period.

Performance Fee Rate: 15%.

Hurdle Rate: means 4% p.a.

Risk Management

The global exposure relating to this Sub-Fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the Sub-Fund, under normal market conditions, calculated as the "Sum of the Notional" of the financial derivative instruments used, is expected to be 500% although lower and higher levels are possible.

Investors should note that there is possibility of higher leverage levels in certain circumstances, e.g. where the Investment Manager may make more extensive use of financial derivative instruments for investment purposes (within the limits of the Sub-Fund’s investment objective) as opposed to a more limited use for hedging or efficient portfolio management purposes.

The expected levels of leverage indicated above reflect the use of all derivative instruments within the portfolio of the Sub-Fund. An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk.

Shareholders should note that the "Sum of Notional" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes.

The "Sum of Notional" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements.

Upon request of an investor, the Investment Manager will provide additional information relating to the quantitative limits that apply in the risk management of the Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

APPENDIX 4: LFIS Vision UCITS – Enhanced Long Vol

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide investors with a positive exposure to the implied volatility of the financial markets with the target of achieving superior returns in periods of rising risk and volatility. The Sub Fund seeks to target reducing the cost of carry, i.e. the negative returns usually associated with a positive exposure to volatility, in periods of low and stable volatility. The Sub-Fund targets a volatility comprised between 10% and 15% under normal market conditions (it being understood that the realised annualised volatility could be higher or lower).

To achieve this investment objective, the Sub-Fund will implement an investment policy based on the two following strategies:

- Expose the Sub-Fund to the volatility of the financial markets, in particular to the equity markets; and
- Financing the cost of carry by implementing relative value sub-strategies on implied volatility of the financial markets.

The Investment Manager closely monitors the investors' flows in equity, foreign exchanges and interest rates derivatives markets that drive the price of implied volatility and can create distortions in the price of volatility across markets and instruments.

The universe of markets where the Sub-Fund will be active in the volatility space, within a framework of controlled risk, includes (without limitation): developed and emerging equity markets, foreign exchange markets, credit and interest rates markets (the "Target Markets").

Within each of these markets, the exposure to implied volatility will be implemented through the use of financial derivatives instruments dealt in on a Regulated Market and/or over-the-counter ("OTC") (including but not limited to: futures and options linked to underlying out of the Target Markets, futures linked to the main volatility indices of the Target Markets, variance swaps and volatility swaps) remaining always within the limits of the "Investment Restrictions" of the general part of the Prospectus.

Financial derivatives contracts will be an integral part of the investment policy: futures contracts, options, swaps, traded either on Regulated Markets or OTC, will be used for hedging against risks of equity, interest rates, currencies and for exposing the Sub-Fund to volatility.

In addition to financial derivatives contracts, the Sub-Fund may invest up 100% of its net assets in short-term bonds, money market instruments, deposits, units or shares of money market UCIs or repos and reverse repos.

Specific Investment Restrictions

The Sub-Fund will not invest more than 10% of its net assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

Investment Manager

La Française Investment Solutions, 128, boulevard Raspail, F-75006 Paris, France.

Specific Sub-Fund risk profile

The investments made by the Sub-Fund will be subject to market trend and fluctuations. Investors are at risk of potentially recovering a sum which is less than the amount they have invested. In particular, the investors should be aware that the Sub-Fund'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 Sub-Fund 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. The strategy of the relevant Sub-Fund may generate a high level of leverage. Investors in such Sub-Fund should consult section "Risk Management" below in relation to risks associated with leverage and the related risk-management process.

Profile of the typical Investor

The Sub-Fund employs a complex investment strategy by using long and short positions and exposing the Sub-Fund to the volatility of the financial markets and financing the cost of carry by implementing relative value sub-strategies on implied volatility of the financial markets. Such a strategy involves numerous risks, and may employ leverage through the use of derivatives and therefore potentially lead to high levels of volatility in returns. The Sub-Fund is intended only for those investors who understand these strategies and associated risks, are more concerned with maximising long term returns than minimising possible short term losses and can bear the risk of losing a substantial part of their investment (including loss of their entire investment). Investors must be aware that they may not recover their initial investments and should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

Prospective investors should consult their financial, tax and legal advisors, as appropriate, in order to determine whether or not the Sub-Fund is a suitable investment for them.

Reference Currency

The reference currency of the Sub-Fund is the EUR.

Dividend policy

Income and capital gains arising in the Sub-Fund in relation to Class I Shares and Class R Shares will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Classes

Classes	Eligible investors	Minimum initial subscription amount and minimum holding amount	Minimum subsequent investment	Management fee
Class I Shares	Institutional Investors	EUR 500,000 or the equivalent in the currency of the Class concerned	100,000 EUR or equivalent	up to 1% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*
Class RU	All Investors	EUR 100,000 or the equivalent in the currency of the Class concerned	10,000 EUR or equivalent	up to 2% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*

* In addition, certain minimum charges may apply.

Class I Shares and RU Shares are available in EUR, USD, GBP and CHF.

For Classes denominated in a currency other than reference currency of the Sub-Fund, the intention is to hedge the value of the net assets against the reference currency of the Sub-Fund or the currency exposure of certain (but not necessarily all) assets of the relevant Sub-Fund against the currency of the hedged Class.

Investors should be aware that any currency hedging process may not give a complete hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in such hedged Classes should consult section "VII. Risk Factors" in relation to risks associated with hedging.

Valuation Day

The Net Asset Value of each Class shall be calculated weekly as of each Monday (a "**Valuation Day**").

If any such day is not a Business Day and/or not an Exchange Business Day, the Valuation Day shall be the following Business Day which is an Exchange Business Day.

Business Day, Exchange Business Day

A Business Day means a full day on which banks are normally open for business in Paris and Luxembourg. 24 December shall not be considered as a Business Day.

An Exchange Business Day means a day other than (1) (i) a day observed as a holiday on a stock exchange which (a) is the principal market for a significant proportion of the Sub-Fund’s investment or (b) is a market for a significant proportion of the Sub-Fund's investment or (c) is comprised in the Related Exchanges List (as defined below) (the "Stock Exchange") or (ii) a day upon which the Stock Exchange closes before its scheduled closing time or (2) a day that is a holiday elsewhere and impedes the calculation of the fair market value of the investments of the Sub-Fund(s).

Related Exchanges List: CBOT, LIFFE, EUREX, EURONEXT.

The list of Business Days which are Valuation Days are available at the registered office of the Fund and/or on the following website www.lafrancaise-group.com. Investors should consult this list before transacting in Shares of the Sub-Fund.

Subscriptions

The Sub-Fund will be launched at a date to be determined by the Board of Directors.

Investors may subscribe for Shares of the Sub-Fund during an Initial Offering Period, the beginning and duration of which will be determined by the Board of Directors at its sole discretion at a fixed price that will also be determined by the Board of Directors at its sole discretion.

Any Initial Offering Period may be prolonged by a decision of the Board of Directors at its sole discretion.

Thereafter, Shares are available for subscription on each Valuation Day at the applicable Net Asset Value.

Subject to the minimum initial subscription amounts and minimum holding amounts as described under “Classes” above, subscriptions for Shares may be made in amounts or in number of Shares. Fractions of Shares may be issued up to at least three decimal places.

Applications for Shares must be received by the Registrar and Transfer Agent by no later than two (2) Business Days before the relevant Valuation Day at 12 noon to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. The issue of Shares is conditional upon receipt of subscription monies within two (2) Business Days of the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

A Subscription Charge, not exceeding two (2)% (for Classes RU Shares) of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Net Asset Value, may be added for the purpose of compensating the Distributors and financial intermediaries who assist in placing the Shares.

Redemptions

Shares are redeemable at the option of the Shareholders. Redemptions may be made in number of Shares or in amounts.
Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than two (2) Business Days before the relevant Valuation Day at 12 noon in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

A Redemption charge of up to two (2)% of the Net Asset Value may be charged for the benefit of the Sub-Fund.

Payment of redemption proceeds will normally be made within five (5) Business Days after the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

Conversion

Conversion of Shares (i) of this Sub-Fund into Shares of other Sub-Funds (ii) or of other Sub-Funds into Shares of this Sub-Fund, are not permitted.

Performance Fee

The Investment Manager will also be entitled to receive from the Sub-Fund a Performance Fee, for each Calculation Period (as defined below), with respect to each Class available, equal to the Performance Fee Rate (not exceeding the percentage amount indicated below) multiplied by the Net New Appreciation (as defined below) of the relevant Class.

The "Net New Appreciation" means, with respect to each Class, the positive difference between (i) the Net Asset Value of the Class (net of all deductible fees and expenses, including any Investment Management Fee; but for the purpose of calculating the Performance Fee, not reduced by the Performance Fee) and (ii) the relevant High Water Mark (as defined below).

The "High Water Mark" means, with respect to each Class, the net asset value of a notional reference fund (the "Reference NAV") (a) denominated in the same currency and bearing the same expenses (excluding the Performance Fee for the relevant Class), and recording the same subscriptions (expressed in amounts), and redemptions (expressed in a fraction of the outstanding net assets) than the Class and (b) achieving a performance since the beginning of trading of the Sub-Fund based on the "Hurdle Rate" (as defined below).

At the end of each Calculation Period, for which a Performance Fee in respect of a given Class is paid (or becomes payable) to the Investment Manager, the net assets level of the Reference Fund in respect of the relevant Class is reset to the level of the Net Asset Value of the relevant Class as at the end of such Calculation Period.

"Calculation Period" means (i) the period between the day immediately following the last Business Day of the preceding Calculation Period (inclusive) and the last Business Day of the current financial year (inclusive), or (ii) for the first Calculation Period (the "Initial Calculation Period"), the period beginning on the date on which the Class commenced trading (inclusive) and ending on the last Business Day of the financial year during which the relevant Class has been launched (inclusive).

The Performance Fee will be deemed to accrue as at each Valuation Day.

The Performance Fee is normally payable by the Fund to the Investment Manager in arrears at the end of each Calculation Period within fifteen (15) Business Days after the end of such Calculation Period. If the Sub-Fund is terminated before the end of a Calculation Period, the

Performance Fee in respect of the Calculation Period will be calculated and paid as if the date of termination was the end of the relevant Calculation Period.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Calculation Period for the relevant Class.

Shareholders should note that the Sub-Fund does not perform equalization or issue of series of Shares for the purpose of determining the Performance Fee. The use of equalization or issue of series of Shares ensures that the performance fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund. Shareholders may therefore be advantaged or disadvantaged as a result of this method of calculation and the non-performance of any equalization.

Shareholders should further note that, in the case where they have redeemed their Shares before the end of any Calculation Period for a given Class, any accrued but unpaid Performance Fee in respect of their holding during such period will be kept and paid to the Investment Manager, even if this Performance Fee should not be paid to it at the end of the relevant Calculation Period.

Performance Fee Rate: 15%.

Hurdle Rate: means

- EONIA (Euro OverNight Index Average) capitalized, for classes denominated in EUR;
- Fed Funds Capitalised, for classes denominated in USD;
- SONIA (Sterling OverNight Index Average), capitalised for classes denominated in GBP;
- SARON (Swiss Average Rate Overnight) capitalised, for classes denominated in CHF.

Risk Management

The global exposure relating to this Sub-Fund will be calculated using an absolute Value-at-Risk approach. The expected leverage of the Sub-Fund, under normal market conditions, calculated as the "Sum of the Notional" of the financial derivative instruments used, is expected to be 1000% although lower and higher levels are possible.

Investors should note that there is possibility of higher leverage levels in certain circumstances, e.g. where the Investment Manager may make more extensive use of financial derivative instruments for investment purposes (within the limits of the Sub-Fund’s investment objective) as opposed to a more limited use for hedging or efficient portfolio management purposes, or when market condition vary dramatically for instance in the case of extreme market movements, either to the upside or to the downside. Extreme market movements are characterized by large and rapid market movements, like generalized markets crashes, which will require the more frequent use of derivatives, hence increasing the level of leverage.

The expected levels of leverage indicated above reflect the use of all derivative instruments within the portfolio of the Sub-Fund. An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk. As described in the Section “Investment Objective and Policy” above, the investment strategy of the Sub-Fund may potentially lead to high levels of volatility.

Shareholders should note that the "Sum of Notional" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes.

The "Sum of Notional" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements.

Upon request of an investor, the Investment Manager will provide additional information relating to the quantitative limits that apply in the risk management of the Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

APPENDIX 5: LFIS Vision UCITS – Credit

Investment Objective

The investment objective of the Sub-Fund is to generate absolute superior risk adjusted returns over the medium to long term by opportunistically investing in a diversified portfolio of undervalued or overvalued credit-linked instruments while minimizing risk of loss.

Investment Policy

To achieve the investment objective, the Sub-Fund will implement both:

- Relative value investment strategies where performance is driven by the out-performance of particular credit-linked instruments over the sector/market or over some similar credit-linked instruments belonging to the same sector or where the Investment Manager seeks to exploit discrepancies in the market prices of certain credit-linked instruments, due to temporary lack of liquidity, inefficiencies on bid/ask prices, temporary supply/demand imbalances, complexity/exoticity premium, regulatory treatment change or uncertainty, etc. and where performance will be driven primarily by a reversion to the expected relationship between market prices.

  The following trade types (non exhaustive list) will be included in this category:

  - negative and positive basis trades (cash vs CDS);
  - curve trades (relative value across tenors);
  - correlation trades (tranches vs tranches, tranches vs index);
  - volatility trades (index vs options);
  - skew trades (index vs constituents);
  - capital structure trades (debt vs equity, senior vs sub);
  - compression/decompression trades (investment grade vs high yield, Europe vs US, etc.);
  - long/short single (single vs single, single vs index).
- Directional investment strategies in the credit space where performance will be driven primarily by absolute spread tightening/widening, potential credit events and recovery rates and/or default correlation/dispersion moves affecting the overall market as well as individual positions of the Sub-Fund;

The investment philosophy of such strategies is based on a double top-down (from which the overall level of risk applicable to the Sub-Fund and macro trades are derived) and bottom-up approach (from which the single name and/or seniority and/or security selection is driven), with the use of fundamental analysis and proprietary quantitative techniques.

It is expected, at the date of the Prospectus, that this Sub-Fund will have a focus on relative value investment strategies.

The investment process is conducted on the basis of the following main steps:

Identification of markets and investment opportunities

- identification of investment markets and review of the universe of target assets to analyse the prices, the offer and demand, the liquidity and the volatility, in order to define target profits on such assets based on credit research studies;

- internal valuation of each identified asset, in order to identify the assets presenting attractive prices;

- if relevant, application of a proprietary quantitative filter to select assets corresponding to the targeted profits and whose probability of capital loss at maturity remains lower than the limit set for the Sub-Fund;

- for each selected asset, analysis of the possibility and opportunity to trade the market exposure hedge.

Portfolio construction

- the assets for which the hedge of the market exposure (Beta) will be traded are selected with their hedge to be eligible to absolute performance pockets (Alpha);

- the remaining assets for which the hedge of the market exposure will not be traded given their specificities are eligible to directional credit exposure pockets (Beta);

- portfolio construction by allocation of assets among the Beta and Alpha pockets in consideration of the objectives of the Sub-Fund (performance, volatility, maximum loss, directional exposure or absolute performance, etc.) and of the risk constraints applicable to the global portfolio.

Investment Universe

The Sub-Fund will make investments in accordance with the section “Investment objectives, policies and restrictions” of the Prospectus.

The Sub-Fund's investment universe is primarily composed of credit instruments and, on an ancillary basis, equity and equity-type instruments.

Credit instruments comprise, without limitation, the following:

- bonds of any credit quality issued by issuers worldwide (corporate and sovereign);

- convertible bonds of any credit quality of issuers worldwide (corporate and sovereign);

- structured fixed income products (funded or unfunded) including without limitation credit default swaps, standard tranches on eligible credit indices (such as but not limited to iTraxx, CDX or LCDX) or asset backed securities. The Sub-Fund may, if the Investment manager deems it appropriate, invest in asset backed securities. In such case no more than 20% of the Sub-Fund's net assets will be invested in asset backed securities, a sub-category of the structured fixed income products. For the avoidance of doubt, standard tranches on eligible credit indices are excluded from this 20% limit.

The Sub-Fund will not invest more than 100% in sub-investment grade or unrated credit instruments (measured at the time the investment is made). The Sub-Fund will not invest in credit instruments rated as "in default" and no more than 10% in credit-linked instruments rated as "distressed". The Sub-Fund may invest up to 20% of its net assets in contingent convertibles bonds.

The Sub-Fund may also invest in equities and equity-related securities of issuers worldwide on an ancillary basis.

The Sub-Fund may invest in derivative financial instruments dealt in on Regulated Markets or over-the-counter (OTC) for investment, hedging and efficient portfolio management purposes. Financial derivative instruments include, among others, swaps (CDS, index, index tranches, recovery swap, total return, swaptions, etc.), futures contracts, options and credit linked notes. The Sub-Fund may enter into repo and reverse repo transactions subject to the conditions laid down in the general part of the prospectus.

The Sub-Fund may gain exposure to eligible indices remaining within the limits of investment restriction III b).

The Sub-Fund has a European and US focus but can invest globally.

Most of the securities in which the Sub-Fund invests are traded on the European interbank markets.

The Sub-Fund will not invest more than 10% of its net assets in units or shares of other UCITS or other UCIs in order to be eligible for investments by UCITS governed by Directive 2009/65/EC.

Risk Factors

Investors should refer to the section "Risk factors" and the section "Financial Derivative Instruments" of the general part of the Prospectus.

In addition, the following specific risk factors are associated to the investments being implemented:

(i) Asset Backed Securities

Asset-backed securities are securities primarily serviced, or secured, by the cash flows of a pool of receivables (whether present or future) or other underlying assets, either fixed or revolving. Such underlying assets may include, without limitation, residential and commercial mortgages, leases, credit card receivables as well as consumer and corporate debt. Asset-backed securities can be structured in different ways, including "true sale" structures, where the underlying assets are transferred to a special purpose entity, which in turn issues the asset-backed securities, and "synthetic" structures, in which not the assets, but only the credit risks associated with them are transferred through the use of derivatives, to a special purpose entity, which issues the asset-backed securities. Such asset backed securities may be highly illiquid and therefore prone to substantial price volatility.

(ii) Credit and spread risks

Credit risk on fixed-income securities varies by type of issuing institution (government or corporate). The Sub-Fund invests in fixed-income securities that incur credit risk. Upgrading or downgrading of the issuing institution's credit rating may affect the value of the fixed-income security. The issuing institution may not be able to meet its interest and repayment liabilities, which may result in the Sub-Fund sustaining losses. The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when the Sub-Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities. In addition, variations in credit spreads (representing the credit risk premiums required by market participants for a given credit quality in credit spreads) may affect adversely the value of the investments held by the Sub-Fund.

(iii) Below Investment Grade Securities

The Sub-Fund may invest in fixed-income instruments that are or are deemed to be the equivalent in terms of quality to securities rated below investment grade by Moody's Investors Service, Inc. and Standard & Poor's Corporation and accordingly involve great risk. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk to adverse conditions. These risks include: (i) changes in credit status, including weaker overall credit conditions of issuers and risks of default; (ii) industry, market and economic risk; (iii) interest rate fluctuations; and (iv) greater price variability and credit risks of certain high yield securities such as zero coupon and payment-in kind securities. While these risks provide the opportunity for maximizing return over time, they may result in greater upward and downward movement of the value of a Sub-Fund’s portfolio.

While all security investments have some degree of risk, below investment grade fixed income securities may be subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding fixed-income securities with higher ratings. Furthermore, the value of high yield securities may be more susceptible to real or perceived adverse economic, company or industry conditions than is the case for higher quality securities. Adverse market, credit or economic conditions could make it difficult at certain times to sell certain high yield securities held by a Sub-Fund.

High yield debt securities generally trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. High yield debt securities can be more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer’s assets. Such securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain 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 severely disrupt the market for such securities and may have an adverse impact on the value of such securities.

(iv) Credit Default Swaps

The Sub-Fund may purchase and sell credit derivatives contracts — primarily credit default swaps — both for hedging and other purposes. Credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or loan, or a structured finance security, or on a portfolio of such instruments, or an OTC counterparty. Credit default swaps also can be used to make an investment synthetically. If the Investment Manager’s view is that a particular credit, or group of credits, will experience credit improvement, a Sub-Fund may “sell” credit default protection in which it receives spread income. A Sub-Fund may also “purchase” credit default protection (i.e., short the particular name or security) without owning the referenced instrument if, in the judgment of the Investment Manager, there is a high likelihood of credit deterioration. Swap transactions dependent upon credit events are priced based upon models, often proprietary, that incorporate many credit and market variables, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions. Accordingly, there are many factors upon which market participants may have divergent views. If the Investment Manager has a positive view of the credit outlook of a corporation, or a structured finance security, it may enter into credit default swap transactions in which it assumes the risk of default of an issuer. It may also enter into an opposite transaction, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components that determine the value of a swap. The credit default swap market has been subject to high volatility and lacks transparency. While the Investment Manager believes that the Sub-Fund's participation in this market has the potential for significant profit, it also entails significant risks.

(v) Structured Fixed Income Products

Structured fixed income products (such as credit default swaps, standard tranches on credit indices, asset-backed securities, portfolio credit-linked instruments, etc.) are usually issued in different tranches. The degree to which any particular asset-backed security or portfolio credit-linked note is affected by such events will depend on the tranche to which such security relates. Any losses realised in relation to the underlying assets or, as the case may be, calculated in relation to the reference credits are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so forth. Junior tranches, even having received investment grade rating, can therefore be subject to substantial risks. Accordingly, in the event that (a) in relation to asset-backed securities, the underlying assets do not perform and/or (b) in relation to portfolio credit-linked notes, any one of the specified credit events occurs with respect to one or more of the underlying assets or reference credits, this may affect the value of the relevant securities and any amounts paid on such securities. This may in turn adversely affect the Net Asset Value of the Sub-Fund. In addition, the value of structured finance securities from time to time, and consequently the Net Asset Value of the Sub-Fund, may be adversely affected by macro-economic factors such as adverse changes affecting the sector to which the underlying assets or reference credits belong (including industry sectors, services and real estate), economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets. The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets or reference credits. In addition, such products may only be valued by a limited number of market participants (including their related arrangers) and/or traded at a discount from face value and not at the fair value, which may in turn affect the Net Asset Value of the Sub-Fund.

(vi) Correlation risks

In portfolio credit-linked notes, the models used to price the various credit-linked notes or tranches use "implied correlation of default" as a valuation input. Market perception of what is the right default pattern (highly correlated or lowly correlated) will affect prices of credit-linked notes or tranches accordingly.

(vii) Concentration risks

The Sub-Fund may hold a limited number of relatively large positions in certain securities or derivatives contracts in relation to the assets of the Sub-Fund, and/or restrict its investments to financial instruments issued by institutions that are active in the same sector, region or on the same market. Consequently, a loss in any such position, and/or developments affecting those institutions could result in significant losses to the Sub-Fund and a proportionately higher reduction in the Net Asset Value of the Sub-Fund than if its investments were less concentrated.

(viii) Liquidity risks

The Sub-Fund's ability to respond to market movements may be impaired and consequently the Sub-Fund may experience adverse price movements upon liquidation of its investments. The Sub-Fund may also engage in transactions in securities which are not traded on organized exchanges. Such investments in OTC securities and/or other unlisted securities tend to be more volatile and have a higher risk profile than liquid, listed securities. There being no recognized market for such securities, it may be difficult for the Sub-Fund to obtain reliable information about the value of any such security, or the extent of the risks to which it is exposed or to dispose of any such security quickly and/or on terms advantageous to the Sub-Fund. Settlement of OTC transactions may also be subject to delay and administrative uncertainties.

(ix) Specific Risks linked to Contingent Convertibles Bonds

Special risk consideration regarding investment in contingent convertible bonds events that trigger the conversion from debt into equity are designed so that conversion occurs when the issuer of the contingent convertible bonds is in crisis, as determined either by regulatory assessment or objective losses (e.g. measure of the issuer's core tier 1 capital ratio).

In addition to the abovementioned Liquidity Risk, investment in contingent convertible bonds may entail the following risks (non-exhaustive list):

Capital structure inversion risk: contrary to classical capital hierarchy, contingent convertible bonds' investors may suffer a loss of capital when equity holders do not.

Trigger level risk: trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager of the relevant Sub-Fund to anticipate the triggering events that would require the debt to convert into equity.

Conversion risk: it might be difficult for the Investment Manager of the relevant Sub-Fund to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager might have to sell all or part of these new equity shares in order to ensure compliance with the investment policy of the Sub-Fund. This sale may itself lead to liquidity issue for these shares.

Coupon cancellation: for some contingent convertible bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Call extension risk: some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

Unknown risk: the structure of contingent convertible bonds is innovative yet untested.

Valuation and Write-down risks: the value of contingent convertible bonds may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

Industry concentration risk: investment in contingent convertible bonds may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.

Investment Manager

La Française Investment Solutions, 128, boulevard Raspail, F-75006 Paris, France.

Profile of the Typical Investor

The Sub-Fund employs an investment strategy which is complex, involves numerous risks, and may employ leverage through the use of, without limitation, financial derivatives as well as any derivatives, cash borrowing and/or reinvestment of collateral received under OTC derivative transactions or efficient portfolio management techniques and therefore may potentially lead to high levels of volatility in returns. The Sub-Fund is intended only for those investors who understand these strategies and associated risks, are more concerned with maximising long term returns than minimising possible short term losses and can bear the risk of losing a substantial part of their investment. Investors must be aware that they may not recover their initial investments and should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

Prospective investors should consult their financial, tax and legal advisors, as appropriate, in order to determine whether or not the Sub-Fund is a suitable investment for them.

Reference Currency

The reference currency of the Sub-Fund is the EUR.

In order to attempt to protect Shareholders of certain Classes of Shares not denominated in the Sub-Fund Currency from the impact of currency movements, assets of Classes of Shares, for which "Currency Hedging" is indicated as being applicable in the Class of Shares summary below, will be hedged back to the Sub-Fund Currency. The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of these Classes of Shares. Due to the foregoing, each Class of Shares may differ from each other in their overall performance.

Dividend policy

Income and capital gains arising in the Sub-Fund in relation to Class RR (Acc) Shares, Class R1 (Acc) Shares, Class R2 (Acc) Shares, Class R3 (Acc) Shares, Class RE (Acc) Shares, Class I (Acc) Shares, Class EB (Acc) Shares and Class IS (Acc) Shares will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation to Class RR (Dist) Shares, Class R1 (Dist) Shares, Class R2 (Dist) Shares, Class R3 (Dist) Shares, Class RE (Dist) Shares, Class I (Dist) Shares, Class EB (Dist) Shares and Class IS (Dist) Shares will be distributed (in part or in total) at least annually.

Classes

Classes	Eligible investors	Minimum initial subscription amount and minimum holding amount	Minimum subsequent investment	Management Fee	Performance Fee Rate (for the purposes of the calculation of the Performance Fee as mentioned below)
Class RR Shares	All investors	EUR 100,000 or the equivalent in the currency of the Class concerned	100,000 EUR or equivalent	up to 3.25% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*.	None
Class R1 Shares	All investors	EUR 100,000 or the equivalent in the currency of the Class concerned	100,000 EUR or equivalent	up to 3.00% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*.	Up to 15%

Class R2 Shares	All investors	EUR 100,000 or the equivalent in the currency of the Class concerned	100,000 EUR or equivalent	up to 3% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*.	Up to 15%
Class R3 Shares	All investors	EUR 100,000 or the equivalent in the currency of the Class concerned	100,000 EUR or equivalent	up to 2.5% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*.	Up to 15%
Class RE Shares	Any investor being the employee of the Investment Manager and/or any of its affiliates	EUR 1,000	EUR, 1000	up to 2.00% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*.	None
Class I Shares	Institutional Investors	EUR 100,000 or the equivalent in the currency of the Class concerned	100,000 EUR or equivalent	up to 1.25% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*.	Up to 15%
Class EB Shares	Institutional Investors**	EUR 1,000,000 or the equivalent in the currency of the Class concerned	100,000 EUR or equivalent	up to 1% p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*.	Up to 10%

Class IS Shares	Institutional Investors	EUR 30,000,000 or the equivalent in the currency of the Class concerned	100,000 EUR or equivalent	up to 1 % p.a. of the average net asset value of the Sub-Fund (excluding any taxes)*.	Up to 10%

* In addition, certain minimum charges may apply.
** means any Institutional Investor having received approval of the Investment Manager for such investment. It is expected that no further subscription will be accepted once the assets of the Sub-Fund reach EUR 250 million or such other amount as determined by the Investment Manager.

Class RE Shares are available in EUR.
Class I Shares are available in EUR, USD, GBP and CHF.
Class IS Shares are available in EUR, USD, GBP and CHF.
Class EB Shares are available in EUR, USD, GBP and CHF.
Class RR Shares, Class R1 Shares, Class R2 Shares and Class R3 Shares are available in EUR, USD, GBP and CHF.

For Classes denominated in a currency other than reference currency of the Sub-Fund, the intention is to hedge the value of the net assets against the reference currency of the Sub-Fund or the currency exposure of certain (but not necessarily all) assets of the relevant Sub-Fund against the currency of the hedged Class.

Investors should be aware that any currency hedging process may not give a complete hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in such hedged Classes should consult section "VII. Risk Factors" in relation to risks associated with hedging.

Valuation Day

The Net Asset Value of each Class shall be calculated weekly as of each Monday (a "Valuation Day").

If any such day is not a Business Day and/or not an Exchange Business Day, the Valuation Day shall be the following Business Day which is an Exchange Business Day.

Business Day, Exchange Business Day

A Business Day means a full day on which banks are normally open for business in Paris and Luxembourg. 24 December shall not be considered as a Business Day.

An Exchange Business Day means a day other than (1) (i) a day observed as a holiday on a stock exchange which (a) is the principal market for a significant proportion of the Sub-Fund’s investment or (b) is a market for a significant proportion of the Sub-Fund's investment or (c) is comprised in the Related Exchanges List (as defined below) (the "Stock Exchange") or (ii) a day upon which the Stock Exchange closes before its scheduled closing time or (2) a day that is a holiday elsewhere and impedes the calculation of the fair market value of the investments of the Sub-Fund(s).

Related Exchanges List: CBOT, LIFFE, EUREX, EURONEXT.

The list of the Business Days which are Valuation Days are available at the registered office of the Fund. Investors should consult this list before transacting in Shares of the Sub-Fund.

Subscriptions

An initial offer of Shares of Class IS Shares (EUR) of this Sub-Fund will take place at such date as decided by the Board of Directors at its discretion at an initial issue price of EUR 1000.

Investors may subscribe for other Shares of Classes of the Sub-Fund during an Initial Offering Period, the beginning and duration of which will be determined by the Board of Directors at its sole discretion at a fixed price that will also be determined by the Board of Directors at its sole discretion.

Any Initial Offering Period may be prolonged by a decision of the Board of Directors at its sole discretion.

Thereafter, Shares are available for subscription on each Valuation Day at the applicable Net Asset Value.

Subject to the minimum initial subscription amounts and minimum holding amounts as described under "Classes" above, subscriptions for Shares may be made in amounts or in number of Shares. Fractions of Shares may be issued up to at least three decimal places.

Applications for Shares must be received by the Registrar and Transfer Agent by no later than one (1) Business Day before the relevant Valuation Day at 12 noon (Luxembourg time) ("Cut-off time") in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. The issue of Shares is conditional upon receipt of settlement within two (2) Business Days after the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent on the relevant Valuation Day after the applicable Cut-off time will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

A Subscription Charge, not exceeding three (3) % (for Class RR Shares, Class R1 Shares, Class R2 Shares and Class R3 Shares) of the initial issue price at which Shares are offered during the Initial Offering Period and thereafter of the Net Asset Value, may be added for the purpose of compensating the Distributors and financial intermediaries who assist in placing the Shares.

Redemptions

Shares are redeemable at the option of the Shareholders. Redemptions may be made in number of Shares or in amounts.

Completed redemption requests must be received by the Registrar and Transfer Agent by no later than two (2) Business Days before the relevant Valuation Day at 12 noon (Luxembourg time) ("Cut-off time") in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Payment of redemption proceeds will normally be made within four (4) Business Days after the relevant Valuation Day.

Redemption requests received by the Registrar and Transfer Agent on the relevant Valuation Day after the applicable Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

Conversion

Conversion of Shares (i) of this Sub-Fund into Shares of other Sub-Funds (ii) or of other Sub-Funds into Shares of this Sub-Fund, are not permitted.

Performance Fee

The Investment Manager will also be entitled to receive out of the assets of the Sub-Fund/Fund a Performance Fee, for each Calculation Period (as defined below), with respect to each Class available, equal to the Performance Fee Rate (not exceeding the percentage amount indicated in the Class of Shares summary above) multiplied by the Net New Appreciation (as defined below) of the relevant Class.

"Net New Appreciation" means, with respect to each Class (excluding Class R1 Shares, Class R2 Shares, Class R3 Shares), the positive difference between (i) the Net Asset Value of the Class (net of all deductible fees and expenses, including any Management Fee; but for the purpose of calculating the Performance Fee, not reduced by the Performance Fee) and (ii) the relevant High Water Mark (as defined below).

"Net New Appreciation" means, with respect to each of Class R1 Shares, Class R2 Shares, Class R3 Shares, the positive difference between (i) the Adjusted Net Asset Value of the Class and (ii) the relevant High Water Mark (as defined below).

"Adjusted Net Asset Value" means, with respect to each of Class R1 Shares, Class R2 Shares, Class R3 Shares, the Net Asset Value of the Class (net of all deductible fees and expenses, including any Management Fee; but for the purpose of calculating the Performance Fee, not reduced by the Performance Fee) increased by an additional performance at a rate per annum equal to the positive difference between the Management Fees applicable to the relevant Class and the Management Fees applicable to the Class I Shares.

"High Water Mark" means, with respect to each Class, the net asset value of a notional reference fund (the "Reference NAV") (a) denominated in the same currency and bearing the same expenses (excluding the Performance Fee for the relevant Class), and recording the same subscriptions (expressed in amounts), and redemptions (expressed in a fraction of the outstanding net assets) than the Class and (b) achieving a performance since the beginning of trading of the Sub-Fund based on the Hurdle Rate applicable to the relevant Class (as defined below).

At the end of each Calculation Period, for which a Performance Fee in respect of a given Class is paid (or becomes payable) to the Investment Manager, the net assets level of the Reference Fund in respect of the relevant Class is reset to the level of the Net Asset Value of the relevant Class as at the end of such Calculation Period.

"Calculation Period" means (i) the period between the day immediately following the last Business Day of the preceding Calculation Period (inclusive) and the last Business Day of the current financial year (inclusive), or (ii) for the first Calculation Period (the "Initial Calculation Period"), the period beginning on the date on which the Class commenced trading (inclusive) and ending on the last Business Day of the financial year during which the relevant Class has been launched (inclusive).

The Performance Fee will be deemed to accrue as at each Valuation Day.

The Performance Fee is normally payable by the Fund to the Investment Manager in arrears at the end of each Calculation Period within fifteen (15) Business Days after the end of such Calculation Period. If the Sub-Fund is terminated before the end of a Calculation Period, the Performance Fee in respect of the Calculation Period will be calculated and paid as if the date of termination were the end of the relevant Calculation Period.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Calculation Period for the relevant Class.

Shareholders should note that the Sub-Fund does not perform equalization or issue of series Shares for the purpose of determining the Performance Fee. The use of equalization or issue of series of Shares ensures that the performance fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund. Shareholders may therefore be advantaged or disadvantaged as a result of this method of calculation and the non-performance of any equalization.

Shareholders should further note that, in the case where they have redeemed their Shares before the end of any Calculation Period for a given Class, any accrued but unpaid Performance Fee in respect of their holding during such period will be kept and paid to the Investment Manager, even if this Performance Fee should not be paid to it at the end of the relevant Calculation Period.

Hurdle Rate means:

a) 3-Month CHF LIBOR for classes denominated in CHF;
b) 3-Month GBP LIBOR for classes denominated in GBP;
c) 3-Month USD LIBOR for classes denominated in USD;
d) 3-Month EURIBOR for classes denominated in EUR.

Risk Management

The global exposure relating to this Sub-Fund will be calculated using an absolute Value-at-Risk approach. The average leverage of the Sub-Fund, under normal market conditions, calculated as the "Sum of the Notional" of the financial derivative instruments used, is expected to be 1200 % although lower and higher levels are possible.

Investors should note that there is possibility of higher leverage levels in certain circumstances, e.g. where the Investment Manager may make more extensive use of financial derivative instruments for investment purposes (within the limits of the Sub-Fund's investment objective) and/or for hedging or efficient portfolio management purposes, or when market condition vary dramatically for instance in the case of extreme market movements, either to the upside or to the downside.

The expected levels of leverage indicated above reflect the use of all derivative instruments within the portfolio of the Sub-Fund. An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk.

Shareholders should note that the "Sum of Notional" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes.

The "Sum of Notional" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements.

Upon request of an investor, the Investment Manager will provide additional information relating to the quantitative limits that apply in the risk management of the Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.