

ARGOS FUNDS

Société d'investissement à capital variable

**Prospectus
Dated March 2012**

IMPORTANT INFORMATION

General

Shares in the Company are offered on the basis of the information and the representations contained in the current Prospectus accompanied by the simplified prospectus(es), the latest annual report and semi-annual report, if published after the latest annual report, as well as the documents mentioned herein which may be inspected by the public at the offices of the Administrative Agent.

Investors must also refer to the relevant Special Sections attached to the Prospectus. Each Special Section sets out the specific objectives, policy and other features of the relevant Sub-Fund to which the Special Section relates as well as risk factors and other information specific to the relevant Sub-Fund.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of shares other than those contained in this Prospectus and the simplified prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Custodian. Neither the delivery of this Prospectus or of the simplified prospectus nor the offer, placement, subscription or issue of any of the shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus and in the simplified prospectus is correct as of any time subsequent to the date hereof.

The members of the Board, whose name appear under the heading "Management and Administration", accept joint responsibility for the information and statements contained in this Prospectus and in the simplified prospectus issued for each Sub-Fund. They have taken all reasonable care to ensure that the information contained in this Prospectus and in the simplified prospectus is, to the best of their knowledge and belief, true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion at the date indicated on this Prospectus.

Investors may, subject to applicable law, invest in any Sub-Fund offered by the Company. Shareholders should choose the Sub-Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Sub-Fund and will be invested in accordance with the investment policy applicable to the relevant Sub-Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Sub-Fund and classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Sub-Fund will be achieved.

An investment in the Company involves investment risks including those set out herein under Section 8. In addition, investors should refer to the Section "Specific Risk Factors" of the Special Section of the relevant Sub-Fund in order to assess – and inform themselves on – the risks associated with an investment in such specific Sub-Fund.

The Company is allowed to invest in financial derivative instruments. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A more detailed description of the risks relating to the use of derivatives may be found under Section 8 below.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Prospectus, the Special Sections and the Articles.

Definitions

Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalised words and expressions shall bear the respective meanings ascribed thereto under Section 1 of the General Section.

Selling Restrictions

The distribution of this Prospectus and the offering or purchase of Shares is restricted in certain jurisdictions. This Prospectus and the simplified prospectus do not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or would be unlawful. Persons receiving a copy of this Prospectus or of the simplified prospectus in any jurisdiction may not treat this Prospectus or the simplified prospectus as constituting an offer, invitation or solicitation to them to subscribe for Shares notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Prospectus or of the simplified prospectus and any persons wishing to apply 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 the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

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

European Union – The Company qualifies as a UCITS and may apply for recognition under the UCITS Directive, for marketing to the public in certain EEA Member States.

Switzerland – The Company has not been registered with the Swiss Financial Market Supervisory Authority (FINMA) as a foreign collective investment scheme pursuant to Article 120 of the Collective Investment Schemes Act of 23 June 2006 (**CISA**). Accordingly, the Shares may not be publicly offered in or from Switzerland, and neither this Prospectus, nor any other offering materials relating to the Company may be made available through a public offering in or from Switzerland. The Shares may only be offered and this Prospectus may only be distributed in or from Switzerland by way of private placement exclusively to qualified investors (as this term is defined in the CISA and its implementing ordinance).

USA – The Shares have not been and will not be registered under the United States Securities Act of 1933 for offer or sale as part of their distribution and the Company has not been and will not be registered under the United States Investment Company Act of 1940. The Articles provide that the Company may compulsorily redeem any Shares that are transferred, or attempted to be transferred, to or for the benefit of any U.S. Person.

Prevailing language

The distribution of this Prospectus and the simplified prospectus in certain countries may require that these documents be translated into the official languages of those countries. Should any inconsistency arise between the translated versions of this Prospectus, the English version shall always prevail.

Data protection

Certain personal data of Shareholders (including, but not limited to, the name, address and invested amount of each Shareholder) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company, the Administrative Agent and the financial intermediaries of such Shareholders. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-

money laundering and terrorism financing identification, tax identification under the EU Savings Directive, maintaining the register of Shareholders, processing subscription, redemption and conversion orders and payments of dividends to Shareholders and to provide client-related services. Such information shall not be passed on any unauthorised third persons.

The Company may sub-contract to another entity (the **Processor**) located in the European Union (such as the Administrative Agent) the processing of personal data. The Company undertakes not to transfer personal data to any third parties other than the Processor except if required by law or on the basis of a prior consent of the Shareholders.

Each Shareholder has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

By subscribing to the Shares, each investor consents to such processing of its personal data. This consent is formalised in writing in the subscription form used by the relevant intermediary.

MANAGEMENT AND ADMINISTRATION

Registered office	20 Boulevard Emmanuel Servais L-2535 Luxembourg Grand Duchy of Luxembourg
Board of directors of the Company	
Chairman	Mr Geoffroy Linard de Guertechin Senior Vice-President Banque Privée Edmond de Rothschild Europe
Members	Mr Cristofer Gelli Managing Director Argos Investment Managers S.A. Mr Jean Keller Managing Partner Argos Investment Managers S.A. Mr Philip Best Director Argos Investment Managers S.A. Mr Renaud Froissart Fund Manager Argos Investment Managers S.A. Mr Dominique Dubois Deputy First Vice-President, Banque Privée Edmond de Rothschild Europe Mr Eric Feyereisen Deputy First Vice-President, Banque Privée Edmond de Rothschild Europe Mr Enrique Bouillot Vice President Edmond de Rothschild Investment Advisors
Conducting Persons	Mr Enrique Bouillot Vice President Edmond de Rothschild Investment Advisors Mr Renaud Froissart Fund Manager Argos Investment Managers S.A.
Co-promoters	Banque Privée Edmond de Rothschild Europe 20 Boulevard Emmanuel Servais

L-2535 Luxembourg
Grand Duchy of Luxembourg

Argos Investment Managers S.A.
20 Route de Pré-Bois
C.P. 1875
1215 Geneva 15
Switzerland

Custodian

Banque Privée Edmond de Rothschild Europe
20 Boulevard Emmanuel Servais
L-2535 Luxembourg
Grand Duchy of Luxembourg

Administrative Agent

Banque Privée Edmond de Rothschild Europe
20 Boulevard Emmanuel Servais
L-2535 Luxembourg
Grand Duchy of Luxembourg

Investment Manager

Argos Investment Managers S.A.
20 Route de Pré-Bois
C.P. 1875
1215 Geneva 15
Switzerland

Auditor

PricewaterhouseCoopers S.à r.l.
400 Route d'Esch
L-1471 Luxembourg
Grand Duchy of Luxembourg

Legal adviser

Allen & Overy Luxembourg
33 Avenue J. F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

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PART A – GENERAL SECTION

The General Section applies to all Sub-Funds of the Company. Each Sub-Fund is subject to specific rules which are set forth in the Special Section.

1. DEFINITIONS

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

"1915 Act"	Means the act dated 10 August 1915 on commercial companies, as amended;
"2010 Act"	Means the act dated 17 December 2010 on undertakings for collective investment;
"144A Shares"	Means Shares sold to U.S. Persons who are "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act;
"Administrative Agent"	Means Banque Privée Edmond de Rothschild Europe acting as registrar and transfer agent, as domiciliary and corporate agent and central administrative agent, principal paying agent of the Company;
"Articles"	Means the articles of incorporation of the Company as the same may be amended, supplemented or otherwise modified from time to time;
"Auditor"	Means PricewaterhouseCoopers S.à r.l.;
"Board"	Means the board of directors of the Company;
"Business Day"	Means a day on which banks are open for business (during the whole day) in Luxembourg;
"CHF"	Means Swiss franc, the currency of the Swiss Confederation;
"Circular 04/146"	Means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;
"Class"	Means a class of Shares relating to a Sub-Fund for which specific features with respect to fee structures, distribution, marketing target or other specific features may be applicable. The details applicable to each Class will be described in the relevant Special Section;
"Class S Directors"	Means the Class S1 Directors and the Class S2 Directors;
"Class S1 Director"	Means any director appointed by a general meeting in accordance with article 13 of the Articles out of a list of directors proposed by the holder of Class S1 Shares of the sub-fund Argos Funds – Argonaut Fund;
"Class S2 Director "	Means any director appointed by a general meeting in accordance with article 13 of the Articles out of a list of directors proposed by the holder of Class S2 Shares of the sub-fund Argos Funds – Argonaut Fund;
"Clearstream"	Means Clearstream Banking, société anonyme;
"Company"	Means Argos Funds, a public limited liability company incorporated as an

	investment company with variable capital under the laws of Luxembourg and registered pursuant to part I of the 2010 Act;
"Conducting Persons"	Means the persons who are conducting the daily business of the Company;
"Conversion Fee"	Means the conversion fee which may be levied by the Company in relation to the conversion for any Class in any Sub-Fund, details of which are set out in the relevant Special Section;
"CSSF"	Means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority;
"Custodian"	Means Banque Privée Edmond de Rothschild Europe acting as custodian of the Company;
"Custodian Bank and Services Agreement"	Means the agreement between the Company and Banque Privée Edmond de Rothschild acting as Administrative Agent and Custodian, as amended, supplemented or otherwise modified from time to time;
"Directive 78/660/EEC"	Means Council Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) g) of the Treaty on the annual accounts of certain types of companies, as amended from time to time;
"Directive 83/349/EEC"	Means Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended from time to time;
"Directive 2007/16/EC"	Means Commission Directive 2007/16/EC of 19 March 2007 implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
"Directive 2009/65/EC"	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
"Directors"	Means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
"Distribution Agreement(s)"	Means the agreement(s) between the Company and the Distributor(s) as amended, supplemented or otherwise modified from time to time;
"Distribution Fee"	Means the fees that the Company may pay to the Distributor(s) pursuant to the relevant Distribution Agreement(s);
"Distributor(s)"	Means any person from time to time appointed or authorised by the Company to distribute one or more Classes;
"Eastern Europe"	Means all the countries that have joined the EU since 1 May 2004 as well as the new official candidates for EU membership;
"EEA"	Means the European Economic Area;
"Eligible Investments"	Means eligible investments for investment by UCITS within the meaning of

Article 41 (1) of the 2010 Act;

"Eligible Investor"	Means, in relation to each Class in each Sub-Fund, an investor that satisfies the relevant criteria to invest in the relevant Class as is stipulated in the relevant Special Section;
"EU"	Means the European Union;
"EU Member State"	Means a member State of the EU;
"EU Savings Directive"	Means the Council Directive 2003/49/EC of 3 June 2003 on the taxation of savings income in the form of interest payments;
"EUR"	Means Euro, the single currency of the EU Member States that have adopted the Euro as their lawful currency;
"Euroclear"	Means Euroclear Bank S.A./N.V. as the operator of the Euroclear System;
"FINMA"	Means the Swiss Financial Market Supervisory Authority;
"First Class Institutions"	Means first class financial institutions having their registered office in an EU Member State or subject to prudential supervision rules considered by the CSSF equivalent to those prescribed by Community law and specialised in this type of transactions for the purposes of the OTC Derivative transactions and the techniques and instruments relating to Transferable Securities and Money Market Instruments;
"Formation and Launching Expenses"	Means all expenses and costs incurred in connection with the setting-up of the Company and the launching of the initial Sub-Fund as disclosed under Section 23.3 of the General Section;
"GBP"	Means Great Britain Pound, the currency of the United Kingdom;
"General Section"	Means the General Section of this Prospectus that sets out the general terms and conditions applicable to all Sub-Funds, unless otherwise provided for in any of the Special Sections;
"Initial Offering Period" or "Initial Offering Date"	Means, in relation to each Class in each Sub-Fund, the first offering of Shares of the relevant Class made pursuant to the terms of the Prospectus and the relevant Special Section;
"Initial Subscription Price"	Means, in relation to each Class in each Sub-Fund, the amount stipulated in the relevant Special Section as the subscription price per Share for the relevant Class in connection with the Initial Offering Period or Initial Offering Date;
"Institutional Investor"	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Act;
"Investment Adviser"	Means such entity from time to time appointed as investment adviser of a particular Sub-Fund as disclosed in the relevant Special Section;
"Investment Company Act"	Means the U.S. Investment Company Act of 1940, as amended;

"Investment Manager"	Means Argos Investment Managers S.A.;
"Late Trading"	Means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day;
"Luxembourg"	Means the Grand Duchy of Luxembourg;
"Market Timing"	Means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;
" <i>Mémorial</i> "	Means the Luxembourg <i>Mémorial C, Recueil des Sociétés et Associations</i> ;
"Minimum Subscription Amount"	Means, in relation to each Class in each Sub-Fund, the amount which is stipulated in the relevant Special Section as the minimum aggregate subscription monies which a Shareholder or subscriber must pay when subscribing for a particular Class in a Sub-Fund in which the Shareholder or subscriber does not hold Shares of that particular Class prior to such subscription;
"Money Market Instruments"	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
"Net Asset Value"	Means, (i) in relation to the Company, the value of the net assets of the Company, (ii) in relation to each Sub-Fund, the value of the net assets attributable to such Sub-Fund, and (iii) in relation to each Class in a Sub-Fund, the value of the net assets attributable to such Class, in each case, calculated in accordance with the provisions of the Articles and the Prospectus;
"Net Asset Value per Share"	Means the Net Asset Value of the relevant Sub-Fund divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Sub-Fund has more than one Class in issue, the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class divided by the number of Shares of such Class in the relevant Sub-Fund which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);
"OECD"	Means the Organisation for Economic Co-operation and Development;
"OECD Member State"	Means any of the member States of the OECD;
"Operating Expenses"	Means all fees, costs and expenses incurred in connection with the operation of the Company as determined under Section 23.2 of the General Section;
"OTC"	Means over-the-counter;
"OTC Derivative"	Means any financial derivative instrument dealt in over-the-counter;

"Performance Fee"	Means the performance fee to which the Investment Manager may be entitled, in accordance with the relevant Special Section;
"Prospectus"	Means the sales prospectus relating to the issue of Shares in the Company, as amended from time to time;
"Redemption Fee"	Means the redemption fee levied by the Company in relation to the redemption of Shares of any Class in any Sub-Fund, details of which are set out in the relevant Special Section;
"Reference Currency"	Means, in relation to each Sub-Fund, the currency in which the Net Asset Value of such Sub-Fund is calculated, as stipulated in the relevant Special Section;
"Register"	Means the register of Shareholders of the Company;
"Regulated Market"	Means a regulated market as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended, or any other market established in the EEA which is regulated, operates regularly and is recognised and open to the public;
"Restricted Person"	Means any person, determined in the sole discretion of the Board as being not entitled to subscribe or hold Shares in the Company or any Sub-Fund or Class if, in the opinion of the Directors, (i) such person would not comply with the eligibility criteria of a given Class or Sub-Fund (ii) a holding by such person would cause or is likely to cause the Company some pecuniary, tax or regulatory disadvantage (iii) a holding by such person would cause or is likely to cause the Company to be in breach of the law or requirements of any country or governmental authority applicable to the Company;
"Retail Investor"	Means any investor not qualifying as an Institutional Investor;
"Securities Act"	Means the U.S. Securities Act of 1933, as amended;
"SEK"	Means Swedish Crown, the currency of Sweden;
"Shareholder"	Means a person who is the registered holder of Shares in the Company;
"Shares"	Means shares in the Company, of such Classes and denominated in such currencies and relating to such Sub-Funds as may be issued by the Company from time to time;
"Special Section"	Means each and every supplement to this Prospectus describing the specific features of a Sub-Fund. Each such supplement is to be regarded as an integral part of the Prospectus;
"Sub-Classes"	Means each sub-classes of Shares which may be issued within each Class with a distinct valuation currency;
"Sub-Fund"	Means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific investment objective. The specifications of each Sub-Fund will be described in their relevant Special Section;

"Sub-Investment Manager"	Means such entity from time to time appointed as sub-investment manager of a particular Sub-Fund by the Investment Manager as set out in the relevant Special Section;
"Subscription Fee"	Means the subscription fee levied by the Company in relation to the subscription for any Class in any Sub-Fund, details of which are set out in the relevant Special Section;
"Transferable Securities"	Means <ul style="list-style-type: none"> • shares and other securities equivalent to shares; • bonds and other debt instruments; • any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments;
"UCI"	Means an undertaking for collective investment within the meaning of article 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in a EU Member State or not, provided that: <ul style="list-style-type: none"> • such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured; • the level of guaranteed protection for unitholders in such UCI is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive; • the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
"UCITS"	Means an undertaking for collective investment in transferable securities under the UCITS Directive;
"UCITS Directive"	Means Directive 2009/65/EC;
"United States" or "U.S."	Means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
"USD"	Means the United States Dollar, the currency of the United States of America;
"U.S. Person"	Means, unless otherwise determined by the Directors, (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United

States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who qualify as U.S. Persons or otherwise as qualified eligible persons represent in the aggregate ten per cent or more of the beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; or (vi) any other "U.S. Person" as such term may be defined in Regulation S under the Securities Act, or in regulations adopted under the U.S. Commodity Exchange Act, as amended;

"Valuation Day"

Means each Business Day as at which the Net Asset Value will be determined for each Class in each Sub-Fund, as it is stipulated in the relevant Special Section.

2. THE COMPANY

The Company is an open-ended investment company organised under the laws of Luxembourg as a *société d'investissement à capital variable* ("SICAV"), incorporated under the form of a public limited liability company (*société anonyme*) on 24 April 2009 and authorised under part I of the 2010 Act. The Company is a self-managed SICAV in accordance with Article 27 of the 2010 Act.

The Company is registered with the Luxembourg trade and companies register under number B 146 030. Its original Articles have been published in the *Mémorial* on 18 May 2009.

The registration of the Company pursuant to the 2010 Act constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or as to the assets held in the various Sub-Funds.

The Company is subject to the provisions of the 2010 Act and of the 1915 Act insofar as the 2010 Act does not derogate therefrom.

The Shares are not currently listed on the Luxembourg Stock Exchange but the Board may decide to quote one or more Classes of a Sub-Fund on the Luxembourg or any other stock exchange or regulated market.

There is no limit to the number of Shares which may be issued. Shares will be issued to subscribers in registered form.

Shares shall have the same voting rights and shall have no pre-emptive subscription rights. In the event of the liquidation of the Company, each Share is entitled to its proportionate share of the Company's assets after payment of the Company's debts and expenses, taking into account the Company's rules for the allocation of assets and liabilities.

The Company was incorporated with an initial subscribed capital of EUR301,000. The minimum share capital of the Company must at all times be EUR1,250,000 which amount has to be attained within six months of the Company's authorisation to operate as a UCI. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

3. SHARES

Any individual or legal entity may acquire Shares in the Company against payment of the subscription price as defined in Section 10.2 of the General Section.

The Shares confer no preferential subscription rights at the time of the issue of new Shares.

Shares are issued in registered form, with no par value and are recorded in a register. Shareholders receive written confirmation of their registration but no certificate representing Shares will be issued. All Shares must be fully paid up. Fractional Shares may be issued up to four decimal places and shall carry rights in proportion to the fraction of a Share they represent but shall carry no voting rights.

Within the same Sub-Fund, all Shares have equal rights as regards voting rights in all general meetings of Shareholders and in all meetings of the Sub-Fund concerned.

The Special Sections indicate, for each Sub-Fund, which Classes are available and their characteristics.

For each Sub-Fund, the Directors may, in respect of Shares in one or several Class(es) if any, decide to close subscriptions temporarily or definitively, including those arising from the conversion of Shares of another Class or another Sub-Fund.

Shareholders may ask for the conversion of all or a part of their Shares from one Class to another in compliance with the provisions of Section 12 of the General Section.

4. SUB-FUNDS, CLASSES AND SUB-CLASSES

The Company has an umbrella structure consisting of one or several Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund. The investment objective, policy, as well as the risk profile and other specific features of each Sub-Fund are set forth in the relevant Special Section.

The Company is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting-up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively dedicated to the satisfaction of the rights of the Shareholders relating to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-Fund.

Within a Sub-Fund, the Board may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

The Company may, at any time, create additional Classes whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated, if necessary, or supplemented by a new Special Section.

Classes of some Sub-Funds, indicated in the Special Section of each Sub-Fund, may, on the decision of the Board, be subdivided into several Sub-Classes with a different valuation currency. **The attention of investors is drawn to the fact that, depending on whether foreign exchange hedging instruments are used in respect of each Sub-Class, an investor may be exposed to the risk that the Net Asset Value of one Sub-Class denominated in a given valuation currency may fluctuate in a way that compares unfavourably to that of another Sub-Class denominated in another valuation currency. It should nevertheless be noted that all expenses associated with the financial instruments, if any, used for the purpose of hedging foreign exchange risks related to the Sub-Class concerned will be allocated to that Sub-Class. For the purpose of the Articles, any references to Classes include references to Sub-Classes.**

The Special Sections indicate, for each Sub-Fund, which Classes and, if applicable, which Sub-Classes are available and if there are any additional characteristics of the Classes and Sub-Classes concerned.

To the extent permitted by the Prospectus, and in relation to Sub-Classes that are denominated in a currency other than the Reference Currency of a Sub-Fund or Class, the Investment Manager may (but is under no obligation to) employ techniques and instruments intended to provide protection, so far as possible, against movements of the currency in which the relevant Sub-Class is denominated.

For each Sub-Fund, the Board may, in respect of Shares in one or several Class(es) of Shares, decide to close subscriptions temporarily, including those arising from the conversion of Shares of another Class or another Sub-Fund.

For the time being, the Company is comprised of the following Sub-Funds:

- Argos Funds – Asia Pacific;
- Argos Funds – Argonaut Fund;
- Argos Funds – Argonaut Fund Hedge;
- Argos Funds – Family Enterprise;
- Argos Funds – Active Governance Equity Fund;
- Argos Funds – Compass;
- Argos Funds – International Equities;
- Argos Funds – IRIS;
- Argos Funds – Global Equities;
- Argos Funds – SM Investors Value Fund; and
- ARGOS FUNDS – SMC China Fund (UCITS).

Each Sub-Fund is described in more detail in the relevant Special Section.

Investors should note however that some Sub-Funds or Classes may not be available to all investors. The Company retains the right to offer only one or more Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve one or more Sub-Funds or Classes to certain Eligible Investors only (e.g., Institutional Investors).

5. INVESTMENT RESTRICTIONS

The Company and the Sub-Funds are subject to the restrictions and limits set forth below.

The management of the assets of the Sub-Funds will be undertaken within the following investment restrictions. **A Sub-Fund may be subject to additional investment restrictions set out in the relevant Special Section. In the case of any conflict, the provisions of the relevant Special Section will prevail.**

5.1 Eligible Investments

- (a) The Company's investments may consist solely of:
- (i) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an EU Member State;
 - (ii) Transferable Securities and Money Market Instruments dealt on another Regulated Market;
 - (iii) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange or dealt in on another regulated market in any country of Western or Eastern Europe, Asia, Oceania, the American continents or Africa;

- (iv) new issues of Transferable Securities and Money Market Instruments, provided that:
 - (A) the terms of issue include an undertaking that application will be made for admission to official listing on any stock exchange or other Regulated Market referred to in subparagraphs 5.1(a)(i), (ii) and (iii);
 - (B) such admission is secured within a year of issue;
- (v) units of UCITS and/or other UCIs within the meaning of article 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in an EU Member State or not, provided that:
 - (A) such other UCIs are authorised under laws which provide that they are subject to supervision that is considered by the Luxembourg supervisory authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
 - (B) the level of guaranteed protection for shareholders/unitholders in such other UCIs is equivalent to that provided for shareholders/unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
 - (C) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - (D) no more than 10% of the net assets of the UCITS or other UCI whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- (vi) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (vii) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in subparagraphs 5.1(a)(i), (ii) and (iii); and/or OTC Derivatives, provided that:
 - (A) the underlying consists of instruments covered by this paragraph 5.1(a), financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives as stated in the relevant Special Section,
 - (B) the counterparties to OTC Derivative transactions are First Class Institutions, and
 - (C) 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 Company's initiative;

- (viii) Money Market Instruments other than those dealt in on a Regulated Market if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
 - (A) issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or
 - (B) issued by an undertaking, any securities of which are listed on a stock exchange or dealt in on Regulated Markets referred to in subparagraphs 5.1(a)(i), (ii) or (iii), or
 - (C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or
 - (D) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR10 million and which (i) represents and publishes its annual accounts in accordance with Directive 78/660/EEC, (ii) 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 (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (b) However, each Sub-Fund may:
 - (i) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under paragraph 5.1(a) above; and
 - (ii) hold liquid assets on an ancillary basis.

5.2 Risk diversification

- (a) In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-Fund in Transferable Securities or Money Market Instruments of one and the same issuer. The total value of the Transferable Securities and Money Market Instruments in each issuer in which more than 5% of the net assets are invested, must not exceed 40% of the value of the net assets of the respective Sub-Fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- (b) The Company is not permitted to invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.
- (c) The risk exposure to a counterparty of a Sub-Fund in an OTC Derivative transaction may not exceed:

- (i) 10% of its net assets when the counterparty is a credit institution referred to in subparagraph 5.1(a)(vi), or
 - (ii) 5% of its net assets, in other cases.
- (d) Notwithstanding the individual limits laid down in paragraphs 5.2(a), 5.2(b) and 5.2(c) above, a Sub-Fund may not combine:
 - (i) investments in Transferable Securities or Money Market Instruments issued by,
 - (ii) deposits made with, and/or
 - (iii) exposures arising from OTC Derivative transactions undertaken with,
 a single body in excess of 20% of its net assets.
- (e) The 10% limit set forth in paragraph 5.2(a) above can be raised to a maximum of 25% in case of certain bonds issued by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the law, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's failure. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-Fund.
- (f) The 10% limit set forth in paragraph 5.2(a) above can be raised to a maximum of 35% for Transferable Securities and Money Market Instruments that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations of which one or more EU Member States are members.
- (g) Transferable Securities and Money Market Instruments which fall under the special ruling given in paragraphs 5.2(e) and 5.2(f) are not counted when calculating the 40% risk diversification ceiling mentioned in paragraph 5.2(a).
- (h) The limits provided for in paragraphs 5.2(a) to 5.2(f) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body will under no circumstances exceed in total 35% of the net assets of a Sub-Fund.
- (i) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this Section 5.2.
- (j) A Sub-Fund may invest, on a cumulative basis, up to 20% of its net assets in Transferable Securities and Money Market Instruments of the same group.

5.3 Exceptions which can be made

- (a) Without prejudice to the limits laid down in Section 5.6 the limits laid down in Section 5.2 are raised to a maximum of 20% for investment in shares and/or bonds issued by the same

body if, according to the relevant Special Section, the investment objective and policy of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- (i) its composition is sufficiently diversified,
- (ii) the index represents an adequate benchmark for the market to which it refers,
- (iii) it is published in an appropriate manner.

The above 20% limit may be raised to a maximum of 35%, but only in respect of a single body, where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant.

- (b) The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations in which one or more EU Member States are members. These securities must be divided into at least six different issues, with securities from one and the same issue not exceeding 30% of the total net assets of a Sub-Fund.

5.4 Investment in UCITS and/or other UCIs

- (a) A Sub-Fund may acquire the units of UCITS and/or other UCIs referred to in subparagraph 5.1(a)(v) provided that no more than 20% of its net assets are invested in units of a single UCITS or other UCI. If a UCITS or other UCI has multiple compartments (within the meaning of article 181 of the 2010 Act) and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.
- (b) Investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.
- (c) When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Section 5.2.
- (d) When a Sub-Fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, (regarded as more than 10% of the voting rights or share capital), that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such UCITS and/or other UCIs.
- (e) If a Sub-Fund invests a substantial proportion of its assets in other UCITS and/or other UCIs, the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest, will be disclosed in the relevant Special Section.

- (f) In the annual report of the Company it will be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or other UCIs in which the Sub-Fund invests.

5.5 Tolerances and multiple compartment issuers

If, because of reasons beyond the control of the Company or the exercising of subscription rights, the limits mentioned in this Section 5 are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interest of the Shareholders.

Provided that they continue to observe the principles of risk diversification, newly established Sub-Funds may deviate from the limits mentioned under Sections 5.2, 5.3 and 5.4 above for a period of six months following the date of their initial launch.

If an issuer of Eligible Investments is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under Sections 5.2 and 5.4, and paragraph 5.3(a).

5.6 Investment prohibitions

The Company is prohibited from:

- (a) acquiring equities with voting rights that would enable the Company to exert a significant influence on the management of the issuer in question;
- (b) acquiring more than:
 - (i) 10% of the non-voting equities of one and the same issuer,
 - (ii) 10% of the debt securities issued by one and the same issuer,
 - (iii) 10% of the Money Market Instruments issued by one and the same issuer, or
 - (iv) 25% of the units of one and the same UCITS and/or other UCI.

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

Transferable Securities and Money Market Instruments which, in accordance with article 48, paragraph 3 of the 2010 Act are issued or guaranteed by an EU Member State or its local authorities, by another Member State of the OECD or which are issued by public international organisations of which one or more EU Member States are members are exempted from the above limits;

- (c) selling Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under sub-paragraphs 5.1(a)(v), (vii) and (viii) short;
- (d) acquiring precious metals or related certificates;
- (e) investing in real estate and purchasing or selling commodities or commodities contracts;

- (f) borrowing on behalf of a particular Sub-Fund, unless:
 - (i) the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;
 - (ii) the loan is only temporary and does not exceed 10% of the net assets of the Sub-Fund in question;
- (g) granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under sub-paragraphs 5.1(a)(v), (vii) and (viii) that are not fully paid up.

5.7 Risk management and limits with regard to derivative instruments

- (a) The Company must employ (i) a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio and (ii) a process for accurate and independent assessment of the value of OTC Derivatives.
- (b) Each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.
- (c) The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This will also apply to the following subparagraphs.
- (d) A Sub-Fund may invest, as a part of its investment policy, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 5.2. Under no circumstances will these operations cause a Sub-Fund to diverge from its investment objectives as laid down in the Prospectus and the relevant Special Section.
- (e) 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 Section.

6. TECHNIQUES AND INSTRUMENTS

- (a) The Company is authorised to employ techniques and instruments relating to Transferable Securities and Money Market Instruments, provided that such techniques and instruments are used for the purpose of efficient portfolio management, i.e. they (i) are economically appropriate and realised in a cost-effective way, (ii) aim at a reduction of risk or cost and/or (iii) aim at generating additional capital or income in accordance with the requirements set out under Section 5 of the General Section, and (iv) the risks are adequately captured by the risk management process of the Company.
- (b) Such techniques and instruments include securities lending transactions, sale with right of repurchase transactions (*operations à réméré*) and reverse repurchase transactions/repurchase transactions (*operations de prise/mise en pension*).
- (c) Under no circumstances will these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in this Prospectus.

6.1 Securities lending transactions

The Company may enter into securities lending transactions subject to the following rules:

- (a) The Company may lend the securities to a counterparty either:
 - (i) directly; or
 - (ii) through a standardised lending system organised by a recognised clearing institution; or
 - (iii) through a lending system organised by a First Class Institution.
- (b) The borrower must in all cases be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
- (c) The Company must receive a collateral which complies with the requirements set out under paragraph 6.2(b), previously or simultaneously to the transfer of the securities lent, either by the borrower or the intermediary acting on its own account. In case the intermediary is a lending system as set out under sub-paragraphs 6.1(a)(ii) and (iii) above, securities lent may be transferred before the receipt of the collateral by the borrower if such intermediary assures the proper completion of the transaction.
- (d) The Company will ensure that the volume of the securities lending transactions is kept at an appropriate level that enables it, at all times, to meet redemption requests and that these transactions do not jeopardise the management of the Company's assets in accordance with its investment policy.
- (e) The global valuation of the securities lent during the reference period will be disclosed in the financial reports of the Company.

6.2 Sale with right of repurchase transactions, reverse repurchase and repurchase agreement transactions

- (a) General rules
 - (i) The Company may enter into sale with right of repurchase transactions, reverse repurchase and repurchase agreement transactions only with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
 - (ii) The Company will provide separate information on securities (i) purchased with a repurchase option or under reverse repurchase agreements, or (ii) sold with a repurchase option or under repurchase agreements in its financial reports, disclosing the total amount of outstanding transactions on the date of reference of these reports.
 - (iii) The Company will ensure to maintain the value of transactions at a level such that it is able, at all times, to meet redemption requests.
- (b) Rules applicable to the purchase of securities with a repurchase option and reverse repurchase agreement transactions

In addition to the rules set out under paragraph (a) above, the purchase of securities with a repurchase option and reverse repurchase agreement transactions by the Company are subject to the following rules:

- (i) Securities that are the subject of purchase with a repurchase option transaction or that may be purchased in reverse repurchase agreements are limited to:
 - (A) short-term bank certificates or Money Market Instruments;
 - (B) bonds issued or guaranteed by an OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
 - (C) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
 - (D) bonds issued by non-governmental issuers offering an adequate liquidity;
 - (E) shares quoted or negotiated on a regulated market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index.
- (ii) During the duration of a purchase with a repurchase option agreement, the Company may not sell the securities which are the subject of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless the Company has other means of coverage. During the duration of the reverse repurchase agreement, the Company may not sell or pledge/give as security the securities purchased through this contract, except if the Company has other means of coverage.
- (iii) The securities purchased with a repurchase option must be in accordance with the Company's investment policy and must, together with the other securities that the Company holds in its portfolio, globally comply with the Company's investment restrictions.

6.3 Limitation of net exposure and eligible collateral

- (a) Limitation of net exposure
 - (i) For each securities lending transaction, the collateral received by the Company in accordance with paragraph 6.1(c), must be, during the lifetime of the lending agreement, at least equivalent to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.
 - (ii) The net exposure (exposure less collateral received by the Company, subject to eligibility requirements set out in Section 6.3(b) below) to a single counterparty of the Company arising from one or more securities lending transactions, sale with right of repurchase transactions and/or reverse repurchase/repurchase transactions will be taken into account for the purpose of the 20% restriction set out in Section 5.2(d) above.
- (b) Eligible collateral
 - (i) The Company must value on a daily basis the collateral received.

- (ii) The agreement concluded between the Company and the counterparty must include provisions to the effect that the counterparty must provide additional guarantees at very short term in case the value of the collateral already granted appears to be insufficient in comparison with the amount to be covered. Furthermore, the aforementioned agreement must, if appropriate, provide for safety margins that take into consideration exchange risks or market risks inherent to the assets accepted as collateral.
- (iii) The collateral must normally take the form of:
 - (A) liquid assets, i.e. cash, short-term certificates and Money Market Instruments. A letter of credit or a collateral at first-demand given by a First Class Institution not affiliated to the counterparty are considered as equivalent to liquid assets;
 - (B) bonds issued or guaranteed by an OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
 - (C) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
 - (D) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (E) and (F) below;
 - (E) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or
 - (F) shares admitted to or dealt in on a Regulated Market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index.
- (iv) The collateral given under any form other than cash or shares/units of a UCI/UCITS must be issued by an entity not affiliated to the counterparty.
- (v) The collateral given under any form other than cash must not be safekept by the counterparty, except if it is adequately segregated from the latter's own assets.
- (vi) The Company must make sure that:
 - (A) it is able to claim its rights on the collateral in case of occurrence of an event requiring the execution thereof;
 - (B) the collateral is available at all times, either directly or through the intermediary of a First Class Institution or a wholly-owned subsidiary of this institution; in such a manner that the Company is able to appropriate or realise the assets given as collateral, without delay, if the counterparty does not comply with its obligation to return the securities;
 - (C) that its contractual rights relating to the relevant transactions permit, in case of a liquidation, of a reorganisation or in any other situation of equal ranking, to discharge its obligation to return the assets received as a collateral, if and to the extent that the restitution cannot be undertaken on the terms initially agreed; and

- (D) during the duration of the agreement the collateral is not sold or given as a security or pledged, except when the Company has other means of coverage.

6.4 Reinvestment of cash provided as a collateral

- (a) If the collateral is given in the form of cash, such cash may be reinvested by the Company in:
 - (i) shares or units in money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
 - (ii) short-term bank deposits;
 - (iii) Money Market Instruments;
 - (iv) short-term 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;
 - (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; and
 - (vi) reverse repurchase agreement transactions according to the provisions described under paragraph 6.1(a) and (b).
- (b) Financial assets other than bank deposits and units or shares of UCIs acquired by means of reinvestment of cash received as a collateral, must be issued by an entity not affiliated to the counterparty.
- (c) Financial assets other than bank deposits must not be safekept by the counterparty, except if they are segregated in an appropriate manner from the latter's own assets. Bank deposits must in principle not be safekept by the counterparty, unless they are legally protected from consequences of default of the latter.
- (d) Financial assets may not be pledged/given as a collateral, except if the Company has sufficient liquid assets enabling it to return the collateral by a cash payment.
- (e) Short-term bank deposits, Money Market Instruments and bonds referred to in a (ii) through (iv) above must be Eligible Investments.
- (f) The exposure arising from the reinvestment of collateral received by the Company must be taken into account for the purpose of the diversification rules applicable to Company, as outlined under Section 5 above.
- (g) If the short-term bank deposits referred to in (a) (ii) are likely to expose the Company to a credit risk vis-à-vis the safekeeper, the Company must not invest more than 20% of its assets in such deposits made with the same body.
- (h) The reinvestment must, in particular if it creates a leverage effect, be taken into account for the calculation of the Company' global exposure. Any reinvestment of a collateral provided in the form of cash in financial assets providing a return in excess of the risk free rate, is subject to this requirement.
- (i) Reinvestments must be specifically mentioned with their respective value in an appendix to the financial reports of the Company.

7. CO-MANAGEMENT AND POOLING

To ensure effective management of the Company, the Directors may decide to manage all or part of the assets of one or more Sub-Funds with those of other Sub-Funds in the Company (pooling technique) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the **Party(ies) to the co-managed assets**) for which the Custodian is the appointed custodian bank. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective Prospectuses and investment restrictions.

Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets and liabilities will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets.

Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets.

The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Directors may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets.

Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets.

All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a Sub-Fund of the Company, when such a Sub-Fund takes part in co-management and even if the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Directors shall ask the manager to reduce the investment in question in proportion to the participation of the Sub-Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Sub-Fund.

When the Company is liquidated or when the Directors of the Company decide, without prior notice, to withdraw the participation of the Company or a Sub-Fund of the Company from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management inasmuch as all Parties to the co-managed assets have the same custodian bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each Sub-Fund of the Company will be constantly separated and identifiable.

8. RISK FACTORS

Before making an investment decision with respect to Shares of any Class in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the relevant Special Section, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this Section and under the Sections "Specific Risk Factors" and "Profile of the typical investor" in the relevant Special Section. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-Fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Sub-Fund. The price of the Shares of any Sub-Fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class or any amount at all.

The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus, the simplified prospectus and the relevant Special Section are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

An investment in the Shares of any Sub-Fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making any investment decision with respect to the Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective investor's personal circumstances.

The Company is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-Funds). Shares may however be redeemed on each Valuation Day. Substantial redemptions of Shares by Shareholders within a limited period of time could cause the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Share could make it more difficult for the Company to generate trading profits or recover losses.

8.1 Investments in emerging markets

In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-Funds.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Company may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the 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 Sub-Funds investing in emerging market securities.

The Company 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 Company 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 Company's claims in any of these events.

In some Eastern European countries there are uncertainties with regard to the ownership of properties. As a result, investing in Transferable Securities issued by companies holding ownership of such Eastern European properties may be subject to increased risk.

Furthermore, investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Custodian). No certificates representing ownership of Russian companies will be held by the Custodian or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of the effective state regulation and enforcement, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default whilst such assets are in its custody.

Some Sub-Funds may invest a significant portion of their net assets in securities or corporate bonds issued by companies domiciled, established or operating in Russia as well as, as the case may be, in debt securities issued by the Russian government as more fully described for each relevant Sub-Fund in its investment policy.

8.2 Investments in small capitalisation companies

There are certain risks associated with investing in small cap stocks and the securities of small companies. The market prices of these securities may be more volatile than those of larger companies. Because small companies normally have fewer shares outstanding than larger companies it may be more difficult to buy and sell significant amounts of shares without affecting market prices. There is typically less publicly available information about these companies than for larger companies. The lower capitalisation of these companies and the fact that small companies may have smaller product lines and command a smaller market share than larger companies may make them more vulnerable to fluctuation in the economic cycle.

8.3 Use of financial derivative instruments

While the prudent use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-Fund.

(a) Market risk

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Sub-Fund's interests. Some derivatives do experience more extreme volatility than others and that volatility may further impact the value of a Sub-Fund's portfolio.

(b) Control and monitoring

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

(c) Liquidity risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Company will only enter into OTC Derivatives if it is allowed to liquidate such transactions at any time at fair value).

(d) Counterparty risk

A Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-Fund may enter into swap arrangements or other derivative techniques as specified in the relevant Special Section, each of which exposes the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its

investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the investment restrictions laid down in under Section 4 of the General Section.

(e) Different maturity

The Company will enter into derivative contracts with a maturity date which may be different from the maturity date of the Sub-Fund. There can be no assurance that any new derivative contracts entered into will have terms similar to those previously entered into.

(f) Other risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. 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 must be verifiable by an independent auditor.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Sub-Fund's investment objective.

(g) Particular risks in relation to interest rate, currency, total return swaps, credit default swaps and interest rate swaptions

A Sub-Fund may, as a part of its investment policy, enter into interest rate, currency, total return swaps, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Sub-Fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments.

Where a Sub-Fund enters into interest rate or total return swaps on a net basis, the two payment streams are netted out, with each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Interest rate or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Sub-Fund is contractually obligated to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate or total return swap defaults, in normal circumstances the Sub-Fund's risk of loss consists of the net amount of interest or

total return payments that the Sub-Fund is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

A Sub-Fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

A Sub-Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-Fund may buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swaps purchased may not, at any time, exceed the net assets of the relevant Sub-Fund.

A Sub-Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swaps may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

A Sub-Fund may also purchase a receiver or payer interest rate swaption contract. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate, currency, total return swaps, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Company and/or Investment Manager is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-Fund would be less favourable than it would have been if these investment techniques were not used.

8.4 Use of structured finance securities

Structured finance securities include, without limitation, securitised credit and portfolio credit-linked notes.

Securitised credit is 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. Securitised credit 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 securitised credit.

Portfolio credit-linked notes are securities in respect of which the payment of principal and interest is linked directly or indirectly to one or more managed or unmanaged portfolios of reference entities and/or assets ("reference credits"). Upon the occurrence of a credit-related trigger event ("credit event") with respect to a reference credit (such as a bankruptcy or a payment default), a loss amount will be calculated (equal to, for example, the difference between the par value of an asset and its recovery value).

Securitised credit and portfolio credit-linked notes are usually issued in different tranches: 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.

Accordingly, in the event that (a) in relation to securitised credit, 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 (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. In addition the value of structured finance securities from time to time, and consequently the Net Asset Value per Share, 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 (for example, project finance loans are subject to risks connected to the respective project). 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. 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; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

Exposure to structured finance securities may entail a higher liquidity risk than exposure to sovereign bonds which may affect their realisation value.

8.5 Contracts for Differences

A contract for differences (**CFD**) is a contract between two parties allowing each parties to gain exposure to the economic performance and cash flows of a security without having to actually buy or sell the relevant security. The parties agree that the seller will pay the buyer the difference in price after a certain period of time if the relevant security's price increases, and the buyer will in return pay the seller the difference in price if the security's price decreases. A CFD is therefore linked to the underlying security price. Consequently, no right is acquired or obligation incurred relating to the underlying security.

A Sub-Fund may take synthetic long or synthetic short positions with a variable margin via CFDs. CFDs are highly leveraged instruments and for a small deposit, a Sub-Fund may hold a position much greater than would be possible with a traditional investment. In case of substantial and adverse market movements, the potential exists to lose all of the money originally deposited and to remain liable to pay additional funds immediately to maintain the margin requirement.

8.6 Sub-Classes denominated in non-Reference Currencies

Where Shares of a Sub-Fund are available in a Sub-Class which is denominated in a different currency from the Reference Currency in which the Sub-Fund is denominated investors should note that the Net Asset Value of the Sub-Fund will be calculated in the Sub-Fund's Reference Currency and will be stated in the other currency by reference to the current exchange rate between the Reference Currency and such other currency. Fluctuations in that currency exchange rate may affect the performance of the Shares of that Sub-Class independent of the performance of the Sub-Fund's investments. In normal circumstances the costs and expenses of currency exchange transactions in connection with the purchase, redemption and exchange of Shares of that Sub-Class will be borne by the relevant Sub-Class and will be reflected in the Net Asset Value of that Sub-Class. The costs and expenses incurred in hedging a specific Sub-Class (as set out in the relevant Special Section) will be borne by that Sub-Class alone.

Investors should note that inflows and outflows from non-Reference Currency Sub-Classes may have a greater potential to impact the price of such Shares due to the fluctuations in the relevant currency exchange rate.

8.7 Specific restrictions in connection with the Shares

Investors should note that there may be restrictions in connection with the subscription, holding and trading in the Shares. Such restrictions may have the effect of preventing the investor from freely subscribing, holding or transferring the Shares. In addition to the features described below, such restrictions may also be caused by specific requirements such as a Minimum Subscription Amount or due to the fact that certain Sub-Funds may be closed to additional subscriptions after the Initial Offering Period or Initial Offering Date.

8.8 Performance allocation and fees

Certain Sub-Funds may provide for the right of the Investment Manager or the Investment Adviser (if any) to receive a performance fee or similar remuneration schemes. The fact that the remuneration is based on the performance of the relevant Sub-Fund may create an incentive for the Investment Manager or the Investment Adviser (if any) to cause the Sub-Fund to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, such incentive may be tempered somewhat by the fact that losses will reduce the Sub-Fund's performance and thus the Investment Manager's or the Investment Adviser's (if any) performance fee or similar remuneration scheme.

8.9 Nominee arrangements

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

8.10 Taxation

Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of a Sub-Fund, capital gains within a Sub-Fund, whether or not realised, income received or accrued or deemed received within a Sub-Fund etc., and this will be according to the laws and practices of the

country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.

Shareholders should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-Fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in a Sub-Fund in relation to their direct investments, whereas the performance of a Sub-Fund, and subsequently the return Shareholders receive after redemption of the Shares, might partially or fully depend on the performance of underlying assets. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.

Shareholders who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, Shareholders should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

8.11 Change of law

The Company must comply with regulatory constraints, such as a change in the laws affecting the investment restrictions and limits applicable to UCITS, which might require a change in the investment policy and objectives followed by a Sub-Fund.

8.12 Political factors

The performance of the Shares or the possibility to purchase, sell, or redeem may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements.

8.13 Fees in underlying undertakings for collective investment

A Sub-Fund may, subject to the conditions set out in Section 5.4 of the General Section, invest in other undertakings for collective investment which may be operated and/or managed by the Investment Manager or a related party. As an investor in such other undertakings for collective investment, in addition to the fees, costs and expenses payable by a Shareholder in the Sub-Funds, each Shareholder will also indirectly bear a portion of the fees, costs and expenses of the underlying undertakings for collective investment, including management, investment management and, administration and other expenses.

8.14 Transaction costs

Where a Sub-Fund does not adjust its subscription and redemption prices by an amount representing the duties and charges associated with buying or selling underlying assets this will affect the performance of that Sub-Fund.

9. CONFLICTS OF INTEREST AND RESOLUTION OF CONFLICT

The Directors, the Distributor(s), the Investment Manager, any Sub-Investment Managers, any Investment Advisers, the Custodian and the Administrative Agent may, in the course of their business, have potential conflicts of interests with the Company. Each of the Directors, the Distributor(s), the Investment Manager, any Sub-Investment Managers, any Investment Advisers, the Custodian and the Administrative Agent will have regard to their respective duties to the Company and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, each of such persons has undertaken or

shall be requested by the Company to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

Interested dealings

The Directors, the Investment Manager, any Sub-Investment Managers, any Investment Advisers, the Custodian, the Administrative Agent, the Distributor(s) or the sub-distributors and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees or delegates (together the **Interested Parties** and, each, an **Interested Party**) may:

- contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-Fund, or be interested in any such contracts or transactions;
- invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
- deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Investment Manager or the Custodian or any subsidiary, affiliate, associate, agent or delegate thereof.

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

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

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

The Investment Manager or any Sub-Investment Managers may also be appointed as the lending agent of the Company under the terms of a securities lending management agreement. Under the terms of such an agreement, the lending agent is appointed to manage the Company's securities lending activities and is entitled to receive a fee which is in addition to its fee as investment manager. The income earned from stock lending will be allocated between the Company and the Investment Manager or any Sub-Investment Managers and the fee paid to the Investment Manager any Sub-Investment Managers will be at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to stock lending for the Company, including fees paid or payable, will be included in the annual and semi-annual financial statements. The Directors will, at least annually, review the stock lending arrangements and associated costs.

The Investment Manager or any Sub-Investment Managers may execute trades through their affiliates on both a principal and agency basis, as may be permitted under applicable law. As a result of these business relationships, the Investment Manager's or any Sub-Investment Managers' affiliates will receive, among other benefits, commissions and mark-ups/mark-downs, and revenues associated with providing prime brokerage and other services.

Certain conflicts of interest may arise from the fact that affiliates of the Investment Manager or any Sub-Investment Managers may act as sub-distributors of interests in respect of the Company or certain Sub-Funds. Such entities may also enter into arrangements under which they or their

affiliates will issue and distribute notes or other securities the performance of which will be linked to the relevant Sub-Fund.

10. SUBSCRIPTIONS

10.1 General

During the Initial Offering Period or Initial Offering Date, the Company is offering the Shares under the terms and conditions as set forth in the relevant Special Section. The Company may offer Shares in one or several Sub-Funds or in one or more Classes or in one or more Sub-Classes in each Sub-Fund.

After the Initial Offering Period or Initial Offering Date, the Company may offer Shares of each existing Sub-Class in each existing Class in each existing Sub-Fund on any day that is a Valuation Day, as stipulated in the relevant Special Section. The Board may decide that for a particular Sub-Class or Class or Sub-Fund no further Shares will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section). The Company may, in its discretion, create new Sub-Funds with different investment objectives and policies or new Classes within each Sub-Fund or new Sub-Classes within each Class at any time, details of which shall be set forth in the relevant Special Section.

Subscriptions are accepted in amounts and for a particular number of Shares.

10.2 Subscription price

Shareholders or prospective investors may subscribe for a Sub-Class in a Class in a Sub-Fund at a subscription price per Share equal to:

- (a) the Initial Subscription Price where the subscription relates to the Initial Offering Period or Initial Offering Date; or
- (b) the Net Asset Value per Share as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date) of Shares of an existing Sub-Class in an existing Class in an existing Sub-Fund.

If an investor wants to subscribe Shares, a Subscription Fee of up to 5% of the Net Asset Value per Share may be added to the subscription price to be paid by the investor. The applicable Subscription Fee will be stipulated in the relevant Special Section. This fee will be payable to the Distributor(s), sub-distributors or intermediaries.

10.3 Subscription procedure

Subscriptions may be made only by investors who are not Restricted Persons by:

- (a) submitting a written subscription request to the Distributor(s), a sub-distributor or the Administrative Agent to be received by the Administrative Agent, the Distributor(s) or a sub-distributor at the time specified in the relevant Special Section; and
- (b) delivering to the account of the Custodian cleared funds for the full amount of the subscription price (plus any Subscription Fee) of the Shares being subscribed for pursuant to the subscription request, within such number of Business Days as specified in the relevant Special Section.

If the Custodian does not receive the funds in time the purchase order may be cancelled and the funds returned to the investor without interest. The investor will be liable for the costs of late or non-payment in which the case the Directors will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Company due to late or non-payment of the subscription proceeds in respect of subscription applications received may be borne by the Company.

Subscribers for Shares must make payment in the Reference Currency of the relevant Sub-Fund or Class or Sub-Class. Subscription monies received in another currency than the Reference Currency will be exchanged by the Administrative Agent on behalf of the investor at normal banking rates. Any such currency transaction will be effected with the Administrative Agent at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.

Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Sub-Funds and/or Classes and/or Sub-Class offered by the Company.

In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Administrative Agent, the Distributor(s) or a sub-distributor, by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.

The minimum amount (if any) of Shares of the same Class or of the same Sub-Fund for which a subscriber or Shareholder must subscribe in each Sub-Fund is the amount stipulated in the relevant Special Section as the Minimum Subscription Amount.

In the event that the Company decides to reject any application to subscribe for, or the purchase of Shares, the monies transferred by a relevant applicant will be returned to the prospective investor without undue delay (unless otherwise provided for by law or regulations).

The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder, after deduction of the Subscription Fee (if any), divided by:

- (a) the Initial Subscription Price, in relation to subscriptions made in connection with an Initial Offering Period or Initial Offering Date, or
- (b) the Net Asset Value per Share of the relevant Sub-Class of the relevant Class in the relevant Sub-Fund as of the relevant Valuation Day.

With regard to the Initial Offering Period or Initial Offering Date, Shares will be issued on the first Business Day following the end of the Initial Offering Period or Initial Offering Date.

The Company shall recognise rights to fractions of Shares up to four decimal places, rounded up or down to the nearest decimal point. Any purchases of Shares will be subject to the ownership restrictions set forth below. Fractional Shares shall have no right to vote (except to the extent their number is so that they represent a whole Share, in which case, they confer a voting right) but shall have the right to participate pro rata in distributions and allocation of liquidation proceeds.

In the event that a Class or Sub-Class, closed for subscriptions because all the Shares issued in that Class or Sub-Class have been redeemed, is reopened for subscriptions or in the event that no Shares of a Class or Sub-Class are subscribed during the Initial Offering Period or Initial Offering Date of a Sub-Fund, as set out in the relevant Special Section, the Initial Subscription Price per Share of the Class or Sub-Class concerned will, at the time of the launch of the Class or Sub-Class, be equal to 100 units of the valuation currency of the Class or Sub-Class concerned, i.e. CHF100, EUR100,

GBP100, USD100 or SEK100. All subscriptions made after the Initial Offering Period or Initial Offering Date for a Class or Sub-Class will be made on the basis of the Net Asset Value of the Class or Sub-Class concerned.

10.4 Subscription in kind

At the discretion of the Board, Shares may be issued against contributions of transferable securities or other eligible assets to the Sub-Funds provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in this Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Sub-Fund, as described above, will be valued separately in a special report of the Auditor. These contributions in kind of assets are not subject to brokerage costs. The Board will only have recourse to this possibility (i) at the request of the relevant investor and (ii) if the transfer does not negatively affect current Shareholders. All costs related to a contribution in kind will be paid for by the Sub-Fund concerned provided that they are lower than the brokerage costs which the Sub-Fund would have paid if the assets concerned had been acquired on the market. If the cost relating to the contribution in kind are higher than the brokerage costs which the Sub-Fund concerned would have paid if the assets concerned had been acquired on the market, the exceeding portion thereof will be supported by the subscriber.

10.5 Anti-money laundering and terrorist financing requirements

The Directors will apply national and international regulations for the prevention of money laundering.

Measures aimed towards the prevention of money laundering require a detailed verification of an investor's identity in accordance with the applicable laws and regulations in Luxembourg in relation to money laundering obligations, as amended from time to time. The Company (and the Administrative Agent acting on behalf of the Company) reserves the right to request such information as is necessary to verify the identity of an investor in conformity with the before mentioned laws and regulations. In the event of delay or failure by the investor to produce any information required for verification purposes, the Company (and each of the intermediaries and Administrative Agent acting on behalf of the Company) may refuse to accept the application and all subscription monies.

10.6 Institutional investors

The sale of Shares of certain Sub-Funds or Classes may be restricted to institutional investors within the meaning of Article 174 of the 2010 Act (**Institutional Investors**) and the Company will not issue or give effect to any transfer of Shares of such Sub-Funds or Classes to any investor who may not be considered as an Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for shares of a Sub-Fund or Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Sub-Fund or Class restricted to Institutional Investors is not an Institutional Investor, the Company will, at its discretion, either redeem the relevant shares in accordance with the provisions under Section 11 of the General Section or convert such Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors (provided there exists such a Sub-Fund or Class with similar characteristics) and which is essentially identical to the restricted Sub-Fund or Class in terms of its investment object (but, for avoidance of doubt, not necessarily in terms of the fees and expenses payable by such Sub-Fund or Class), unless such holding is the result of an error of the Company or its agents, and notify the relevant Shareholder of such conversion.

Considering the qualification of a subscriber or a transferee as Institutional Investor, the Company will have due regard to the guidelines or recommendations (if any) of the competent supervisory authorities.

Institutional Investors subscribing in their own name, but on behalf of a third party, may be required to certify that such subscription is made either on behalf of an Institutional Investor or on behalf of a Retail Investor provided in the latter case that the Institutional Investor is acting within the framework of a discretionary management mandate and that the Retail Investor has no right to lay a claim against the Company for direct ownership of the Shares.

10.7 Ownership restrictions

A person who is a Restricted Person may not invest in the Company. In addition, each applicant for Shares must certify that it is either (a) not a U.S. Person or (b) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act. The Company may, in its sole discretion, decline to accept an application to subscribe for Shares from any prospective subscriber, including any Restricted Person or any person failing to make the certification set forth in (a) or (b) above. Shares may not be transferred to or owned by any Restricted Person. The Shares are subject to restrictions on transferability to a U.S. Person and may not be transferred or re-sold except pursuant to an exemption from registration under the Securities Act or an effective registration statement under the Securities Act. In the absence of an exemption or registration, any resale or transfer of any of the Shares in the United States or to U.S. Persons may constitute a violation of US law (See "Important Information – Selling Restrictions"). It is the responsibility of the Board to verify that Shares are not transferred in breach of the above. The Company reserves the right to redeem any Shares which are or become owned, directly or indirectly, by a Restricted Person or (a) in the case of Regulation S Shares, are or become owned, directly or indirectly, by a U.S. Person or (b) in the case of 144A Shares, are or become owned, directly or indirectly, by a U.S. Person who is not a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act in accordance with the Articles. Any prospective investor shall only be issued Shares for Institutional Investor if such person provides a representation that it qualifies as an Institutional Investor pursuant to Luxembourg law.

11. REDEMPTIONS

11.1 Redemptions

Shares in a Sub-Fund may be redeemed at the request of the Shareholders on any day that is a Valuation Day. Redemption request must be sent in writing to the Distributor(s), a sub-distributor or the Administrative Agent or such other place as the Company may advise. Redemption request must be received by the Administrative Agent at the time specified in the relevant Special Section. Redemption requests received after this deadline shall be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day.

The Board, the Administrative Agent, the Distributor(s) and the sub-distributors will ensure that the relevant cut-off time for requests for redemption as indicated in the Special Section of each Sub-Fund are strictly complied with and will therefore take all adequate measures to prevent practices known as "Late Trading".

Requests for redemption must be for either a number of Shares or an amount denominated in the relevant currency of the relevant Sub-Class.

A Shareholder who redeems his Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the applicable Valuation Day for the relevant Class in the relevant Sub-Fund (less, as the case may be, a Redemption Fee as stipulated in the relevant Special Section and any tax or duty imposed on the redemption of the Shares).

Payment of the redemption proceeds shall be made generally within such number of Business Days as specified in the relevant Special Section. Where a Shareholder redeems Shares that he has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Company will be entitled to retain such excess for the benefit of the Company.

If as a result of a redemption, the value of a Shareholder's holding would become less than the relevant Minimum Holding Amount as stipulated in the relevant Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the redemption of all his Shares.

Redemption of Shares may be suspended for certain periods of time as described under Section 27 of the General Section.

The Company reserves the right to reduce proportionally all requests for redemptions in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the Shares so tendered for redemption exceed 10% (ten per cent) of the total net assets of that specific Sub-Fund. The portion of the non-proceeded redemptions will then be proceeded by priority on subsequent Valuation Days (but subject always to the foregoing 10% (ten per cent) limit).

Redemption requests must be addressed to the Administrative Agent. Redemption requests will not be accepted by telephone or telex. Redemption requests are irrevocable (unless otherwise provided in respect of a specific Sub-Fund in the relevant Special Section and except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended) and proceeds of the redemption will be remitted to the account indicated by the Shareholder in its redemption request. The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the Administrative Agent may result in the withholding of redemption proceeds.

If a Shareholder wants to redeem Shares of the Company, a Redemption Fee of up to one (1)% may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Special Section. This fee will be payable to the Distributor(s), sub-distributors or intermediaries.

11.2 Compulsory redemptions by the Company

The Company may redeem Shares of any Shareholder if the Directors determine that:

- (a) any of the representations given by the Shareholder to the Company were not true and accurate or have ceased to be true and accurate; or
- (b) the Shareholder is not or ceases to be an Eligible Investor; or
- (c) that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders; or
- (d) the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders; or

- (e) further to the satisfaction of a redemption request received by a Shareholders, the number or aggregate amount of Shares of the relevant Class held by this Shareholder is less than the Minimum Holding Amount.

11.3 In kind redemptions of Shares

The Board may, at the request of a Shareholder, agree to make, in whole or in part, a distribution in-kind of securities of the Sub-Fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Board will agree to do so if they determine that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-Fund. Such redemption will be effected at the Net Asset Value per Share of the relevant Class of the Sub-Fund which the Shareholder is redeeming, and thus will constitute a pro rata portion of the Sub-Fund's assets attributable in that Class in terms of value. The assets to be transferred to such Shareholder shall be determined by the Investment Manager and the Custodian, with regard to the practicality of transferring the assets and to the interests of the Sub-Fund and continuing participants therein and to the Shareholder. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The net proceeds from this sale by the redeeming Shareholder of such securities may be more or less than the corresponding redemption price of Shares in the relevant Sub-Fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value of Shares of the Sub-Fund. The selection, valuation and transfer of assets shall be subject to the review and approval of the Auditor.

Any costs incurred in connection with a redemption in-kind will be borne by the relevant Shareholder.

12. CONVERSIONS

Unless otherwise stated in the relevant Special Section, Shareholders are allowed to convert all, or part, of the Shares of a given Class into Shares of the same or different Class of that or another Sub-Fund. However, the right to convert Shares is subject to compliance with any condition (including any minimum subscription amounts and eligibility requirements) 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 applicable Minimum Subscription Amount, the Board may decide not to accept the request for conversion of the Shares. 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 as stipulated in the relevant Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the conversion of all of his Shares. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-Fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section).

If the criteria to become a Shareholder of such other Class and/or such other Sub-Fund are fulfilled, the Shareholder shall make an application to convert Shares by sending a written request for conversion to Distributor(s), a sub-distributor or the Administrative Agent. Shares may be converted at the request of the Shareholders on any day that is a Valuation Day. The conversion request must be received by the Administrative Agent at the time specified in the relevant Special Section. Conversion requests received after this deadline shall be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day. The conversion request must state either the amount in the relevant currency of the first Sub-Fund or the number of Shares of the relevant Classes in the relevant Sub-Fund, which the Shareholder wishes to convert.

A Conversion Fee, in favour of the original Sub-Fund or Class, of up to 1 per cent of the Net Asset Value of the new Sub-Fund may be levied to cover conversion costs. The applicable fee, if any, will be stipulated in the relevant Special Section. The same rate of Conversion Fee will be applied to all conversion requests received on the same Valuation Day.

Conversion of Shares shall be effected on the Valuation Day, by the simultaneous:

- (a) redemption of the number of Shares of the relevant Class (or Sub-Class) in the relevant Sub-Fund specified in the conversion request at the Net Asset Value per Share of the relevant Class (or Sub-Class) in the relevant Sub-Fund; and
- (b) issue of Shares on that Valuation Day in the new Sub-Fund or Class (or Sub-Class), into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Class (or Sub-Class) in the (new) Sub-Fund.

Subject to any currency conversion (if applicable) the proceeds resulting from the redemption of the original Shares shall be applied immediately as the subscription monies for the Shares in the new Class or Sub-Fund into which the original Shares are converted.

Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued shall be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion shall be calculated by the Custodian in accordance with the rules laid down under Section 26 of the General Section.

If, within a Class several Sub-Classes have been created, the rules set out above will apply similarly to these Sub-Classes.

Assuming that there are no subscriptions to Shares in the relevant Class on the Valuation Day applicable to the conversion, the Initial Subscription Price per Share of the Shares in the relevant Class will correspond to 100 units of the currency of the relevant Class, i.e. depending on the Sub-Fund, CHF100, EUR100, GBP100, USD100 or SEK100.

13. TRANSFER OF SHARES

All transfers of Shares shall be effected by a transfer in writing in any usual or common form or any other form approved by the Board and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Directors may decline to register any transfer of Shares if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class or Sub-Fund as set out in this Prospectus or the relevant Special Section. The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided, however, that such registration shall not be suspended for more than 90 days in any calendar year. The Directors may decline to register any transfer of Shares unless the original instruments of transfer, and such other documents that the Directors may require are deposited at the registered office of the Company or at such other place as the Directors may reasonably require, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration as to whether the proposed transferee (i) is a U.S. Person or acting for or on behalf of a U.S. Person, (ii) is a Restricted Person or acting for or on behalf of a Restricted Person or (iii) does qualify as Institutional Investor.

The Directors may decline to register a transfer of Shares:

- (a) if in the opinion of the Directors, the transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax or fiscal consequences to the Company or its Shareholders; or
- (b) if the transferee is a U.S. Person or is acting for or on behalf of a U.S. Person; or
- (c) if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or
- (d) in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor; or
- (e) if in the opinion of the Directors, the transfer of the Shares would lead to the Shares being registered in a depositary or clearing system in which the Shares could be further transferred otherwise than in accordance with the terms of this Prospectus or the Articles.

14. MARKET TIMING AND LATE TRADING

Prospective investors and Shareholders should note that the Company may reject or cancel any subscription or conversion orders for any reason and in particular in order to comply with the CSSF circular 04/146 relating to the protection of UCIs and their investors against Late Trading and Market Timing practices.

For example, excessive trading of shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as Market Timing, has a disruptive effect on portfolio management and increases the Sub-Funds' expenses. Accordingly, the Company may, in the sole discretion of the Board, compulsorily redeem Shares or reject any subscription orders and conversions orders from any investor that the Company reasonably believes has engaged in Market Timing activity. For these purposes, the Board may consider an investor's trading history in the Sub-Funds and accounts under common control or ownership.

In addition to the Redemption Fee or Conversion Fee which may be of application to such orders as set forth in the Special Section of the relevant Sub-Fund, the Company may impose a penalty of a maximum of 2% of the Net Asset Value of the Shares subscribed or converted where the Company reasonably believes that an investor has engaged in market timing activity. The penalty shall be credited to the relevant Sub-Fund. The Company and the Board will not be held liable for any loss resulting from rejected orders or mandatory redemption.

Furthermore, the Company will ensure that the relevant cut-off time for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

15. MANAGEMENT OF THE COMPANY

The Company shall be managed by the Board. The Board is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of Shareholders fall within the competence of the Board.

The Board will issue, in at least one Sub-Fund, at least one Class S1 Share and one Class S2 Share, as more fully described in article 13 of the Articles and the relevant Special Section. The holders of Class S1 and Class S2 Shares will be entitled to propose to the general meeting of Shareholders a list containing the names of candidates for the position of Director.

The Board must be composed at all times of three Directors appointed out of the list proposed by the holder(s) of Class S1 Share(s) and three Directors (including the chairman of the Board) appointed out of the list proposed by the holder(s) of Class S2 Share(s).

The list of candidates proposed by each holder of Class S Shares shall indicate a number of candidates equal to at least twice the number of Directors to be appointed as Class S1 Director and Class S2 Director.

Any Director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting of Shareholders, provided however that if a Class S Director is removed, the remaining directors must call for an extraordinary general meeting of Shareholders without delay in order for a new Class S Director to be appointed in his/her place in accordance with the requirements of article 13 of the Articles. The new Class S Director so appointed will be chosen from the candidates on the list presented by the relevant Class.

The Company may indemnify any Director or officer, and his heirs, executors and administrators against expenses reasonably incurred by him or her in connection with any action, suit proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or creditor and from which he or she is not entitled to be indemnified, except in relation to matters as which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he or she may be entitled.

The Board is currently composed as follows:

- Mr Cristofer Gelli;
- Mr Jean Keller;
- Mr Philip Best;
- Mr Renaud Froissart;
- Mr Geoffroy Linard de Guertechin;
- Mr Dominique Dubois;
- Mr Eric Feyereisen;
- Mr Enrique Bouillot.

16. THE CONDUCTING PERSONS

The Board has appointed the following persons as conducting persons of the Company within the meaning of part I of the 2010 Act (the **Conducting Persons**):

- Mr Enrique Bouillot;
- Mr Renaud Froissart.

The Conducting Persons are responsible for ensuring that the service providers to which investment management, administrative or marketing functions have been delegated by the Board perform their duties in compliance with the 2010 Act, the Articles, the Prospectus and the relevant agreement entered into with the Company. The Conducting Persons also supervise the correct implementation and application of the risk management process of the Company and ensure compliance of the Sub-Funds with their investment restrictions and policies.

17. INVESTMENT MANAGEMENT

Argos Investment Managers S.A. (the **Investment Manager**) is the investment manager of each Sub-Fund. The Company has delegated to the Investment Manager full authority to act on behalf of the Company to carry out investment management services and be responsible for the investment activities of the Company in respect of each Sub-Fund as it deems necessary in relation to the management of the assets of the relevant Sub-Fund, as is stipulated in the relevant Special Section.

The Investment Manager is a company established under Swiss law on 22 April 2005 as a public limited liability company (*société anonyme*) for an unlimited period of time with registered office at route de Pré-Bois 20, Case Postale 1875, CH-1215 Geneva 15, Switzerland. The Investment Manager is registered with the Company Register Geneva under the number CH-660-0921005-4. The Investment Manager is under the supervision of the FINMA and authorised by the FINMA as an investment manager.

The Investment Manager may delegate its functions with respect to one or more Sub-Funds, with the approval of the CSSF and the Board, to one or more Sub-Investment Managers as set out in the relevant Special Sections. Unless otherwise stated in the relevant Special Section, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the Company. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the Sub-Funds and provide other investment management services to assist the Company to achieve the investment objectives and policy set out in this Prospectus and any specific investment objective and policy set out in the relevant Special Section. Consequently, the responsibility for making decisions to buy, sell or hold a particular security or asset rests the Investment Manager and, as the case may be, the relevant Sub-Investment Manager appointed by it, subject always to the overall policies, direction, control and responsibility of the Board.

18. INVESTMENT ADVICE

The Investment Manager may be assisted by one or more Investment Advisers with respect to one or more Sub-Funds, with the approval of the CSSF and the Board, as set out in the relevant Special Sections. The relevant Investment Adviser(s) will provide day-to-day advice regarding transactions of the relevant Sub-Fund(s) to the Investment Manager.

Subject to the approval of the Company and the Investment Manager, the Investment Adviser(s) may, in turn and on its (their) own responsibility, appoint one or more sub-investment advisers in respect of any Sub-Fund(s) to provide day-to-day advice regarding the relevant Sub-Fund's transactions to the Investment Adviser (the **Sub-Investment Advisers**).

The function of the Investment Advisers shall be solely advisory and they shall not execute or implement the investment policy of the Sub-Fund(s).

19. CUSTODIAN

Banque Privée Edmond de Rothschild Europe has been appointed custodian of the assets of the Company (the **Custodian**) pursuant to a custodian bank and services agreement (the **Custodian**

Bank and Services Agreement) entered into between the Company and the Custodian with effect as of 24 April 2009. The Custodian Bank and Services Agreement is for an unlimited duration and can be terminated by either party by giving 90-days' prior written notice.

Banque Privée Edmond de Rothschild Europe, with registered office at 20 Boulevard Emmanuel Servais, a wholly owned subsidiary of Banque Privée Edmond de Rothschild S.A., Geneva, is a public limited company (*société anonyme*) created under Luxembourg law to carry out all types of banking activities.

Under the terms of the Custodian Bank and Services Agreement, the assets of the Company are deposited with the Custodian or, in accordance with banking practice and under its responsibility, with the Custodian's correspondents. The Custodian shall exercise reasonable care in the selection and supervision of its own correspondents and shall be responsible for the transfer of instructions or assets of the Company to the correspondents. Except for negligence on its part, the Custodian shall not be liable for acts or omissions of the correspondent(s), unless the latter indemnify the Custodian of the losses incurred by the Company. The Custodian shall not be liable for losses resulting from the bankruptcy or insolvency of a correspondent, except if it has been negligent in their selection and supervision.

The rights and duties of the Custodian are further laid down in article 33 of the 2010 Act. The Custodian shall in particular but without limitation:

- (a) ensure that the subscription, issue, redemption, conversion, cancellation and transfer of Shares are carried out in accordance with the law or this Prospectus and the Articles.
- (b) ensure that in the case of transactions involving the assets of the Company, any consideration is remitted to it within the customary settlement dates.
- (c) ensure that the income of the Company is allocated in accordance with the Articles.

20. ADMINISTRATIVE AGENT

Banque Privée Edmond de Rothschild Europe has been appointed administrative agent, registrar and transfer agent of the Company (the **Administrative Agent**) pursuant to the Custodian Bank and Services Agreement.

Under the terms of the Custodian Bank and Services Agreement, the Administrative Agent will carry out all administrative duties in relation with the central administration of the Company and it will in particular:

- (a) keep the accounts of the Company and make its accounting records available to Shareholders;
- (b) process the subscription, issue, redemption, conversion, cancellation and transfer of Shares;
- (c) maintain the register of Shareholders;
- (d) draw up the Prospectus, financial reports and all other documents relating to investments;
- (e) send correspondence, financial reports and all other documents intended for Shareholders; and
- (f) process the calculation of the Net Asset Value.

For the purpose of determining the value of the Assets, the Administrative Agent may, when calculating the Net Asset Value and without prejudice to Section 26 of the General Section, completely and exclusively rely (without any testing) upon the valuations provided by various pricing sources available on the market such as pricing agencies or any other pricing source reasonably considered to be the most reliable for any specific asset (e.g., administrators of underlying UCIs, brokers etc.) or by any other pricing source indicated by the Company or any price(s)/value(s) instructed by the Company.

It is expressly agreed that, regarding valuation/pricing of the assets of the Company with respect to which no market price or fair value is made available, the Company shall select, appoint, and make the necessary contractual arrangements directly with specialised and reputable valuation/pricing providers, specialist consultants or appraisers to ensure that such assets are valued in the best interest of all Shareholders, in full compliance with the requirements of the 2010 Act.

To this end, it is expressly agreed between the Company and the Administrative Agent, that the Company shall provide, with the assistance of specialised and reputable service providers, or cause third party specialised and reputable service providers to provide, the Administrative Agent with the pricing/valuation of assets of the Company with respect to which no market price or fair value is made available and the Auditor with appropriate supporting evidence regarding the correctness and accuracy of such pricing/valuation, in accordance with the rules laid down in the Articles or the Prospectus. For the avoidance of doubt, it is hereby expressly agreed that (i) the Administrative Agent shall have no obligation to verify or approve the valuation methodology or criteria applied by the Company or its delegate(s) in relation to the valuation of such assets and that (ii) that the Company shall provide upon first request of the Auditor (regardless if the Auditor addressed such a request to the Administrative Agent or not), or cause the relevant third party service providers to provide with any supporting documentation or evidence relating to the pricings/valuations of such assets.

The Company guarantees the Administrative Agent that all assets of the Company are economically valuable, and that their prices can be audited. For unlisted, illiquid or structured assets for which prices are not available, the Company is responsible for delivering reasonably qualified opinions from reputable first class consultants or auditors on (i) the professionalism, reliability and experience of any third party service provider selected from time to time (ii) the valuation processes and methodology used by the Company.

The Administrative Agent will not be liable for the Company's investment decisions nor the consequences of the Company's investment decisions on its performances.

As the Administrative Agent is the Company's service provider, it will not be liable for the Prospectus provisions. Consequently, it will not be liable for any failure of information contained in this entire Prospectus.

21. PAYING AGENT

Banque Privée Edmond de Rothschild Europe, or any other bank mentioned in the periodic reports, shall also provide paying agent services.

22. DISTRIBUTORS AND NOMINEES

The Company may enter into Distribution Agreement(s) to appoint Distributor(s) to distribute Shares of different Sub-Funds from time to time. The Distributor(s) may appoint one or more sub-distributors.

The Company expects that in relation to Shares to be offered to investors the relevant Distributor(s) will offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors.

All Distributors that are entitled to receive subscription monies and/or subscription, redemption or conversion orders on behalf of the Company and nominee service providers must be (i) professionals of the financial sector of a FATF member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law or (ii) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg law because of internal group policies. Whilst and to the extent that such arrangements subsist, such underlying investors will not appear in the Register of the Company and will have no direct right of recourse against the Company.

Any Distributor or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the Register. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the Register in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements. 144A Shares will be issued in physical, certificated form only and will not be eligible for clearance or settlement through Euroclear or Clearstream or any other relevant clearing system.

The terms and conditions of the Distribution Agreement(s) with arrangements to provide nominee services will have to allow that an underlying investor who (i) has invested in the Company through a nominee and (ii) is not a Restricted Person, may at any time, require the transfer in his name of the Shares subscribed through the nominee. After this transfer, the investor will receive evidence of his shareholding at the confirmation of the transfer from the nominee.

Investors may subscribe directly to the Company without having to go through Distributor(s) or a nominee.

The Investment Manager may enter into retrocession fee arrangements with the Distributor(s) or any sub-distributor in relation to their distribution services. Any such retrocession fee shall be paid by the Investment Manager out of its own assets (or remuneration). The Investment Manager may instruct from time to time in writing the Company to pay a part of its own remuneration directly to the Distributor(s).

Distributors, with regard to the distribution of certain Classes are entitled to a distribution fee payable by the Company. This fee is accrued daily and paid periodically in arrears. Distributors have the right, at their discretion to reallocate such fee, in whole or in part, to sub-distributors.

23. FEES, COMPENSATION AND EXPENSES

23.1 Fees

- (a) Remuneration of the Investment Manager, the Sub-Investment Manager(s), the Investment Adviser(s) and the Sub-Investment Adviser(s)

The remuneration of the Investment Manager, the Sub-Investment Manager(s), the Investment Adviser(s) and the Sub-Investment Adviser(s) (if any) of each Sub-Fund are set out in the relevant Special Sections.

(b) Remuneration payable to the Custodian and the Administrative Agent

The Custodian and Administrative Agent is entitled to receive, out of the assets of each Class within each Sub-Fund, a fee corresponding to a maximum of 0.20% p.a. of the Net Asset Value.

In addition, the Custodian is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and for charges of any correspondents (as the case may be).

23.2 Operating Expenses

The Company pays out of the assets of the relevant Sub-Fund all expenses payable by the Company which will include but not be limited to formation expenses, fees (including the Performance Fee) payable to the Investment Manager, Sub-Investment Manager(s), Investment Adviser(s) and Sub-Investment Adviser(s) (if any), fees and expenses payable to its Auditors and accountants, Custodian and its correspondents, Administrative Agent, any pricing agencies, any permanent representatives in places of registration, as well as any other agent employed by the Company, the remuneration of the Conducting Persons, Directors and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with Board meetings, fees and expenses for legal and auditing services consultants, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements and the costs of any reports to Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, the costs for the publication of the issue and redemption prices, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

Furthermore, charges and expenses borne by the Company shall include all reasonable charges and expenses paid on its behalf, including but not limited to, telephone, fax, telex, telegram and postage expenses incurred by the Custodian on purchases and sales of portfolio securities in one or several Sub-Funds.

The Company may indemnify any director, manager, authorised officer, employee or agent, their heirs, executors and administrators, to the extent permitted by law, for all costs and expenses borne or paid by them in connection with any claim, action, law suit or proceedings brought against them in their capacity as director, manager, authorised officer, employee or agent of the Company, except in cases where they are ultimately sentenced for gross negligence. In the case of an out of court settlement, such indemnification will only be granted if the Company's legal adviser is of the opinion that the director, manager, authorised officer, employee or agent in question did not fail in his duty and only if such an arrangement is approved beforehand by the Board. The right to such indemnification does not exclude other rights to which the director, manager, authorised officer, employee or agent are entitled. The rights to indemnification provided herein are separate and do not affect the other rights to which a director, managing director, authorised officer, employee or agent may now or later be entitled and shall be maintained for any person who has ceased their activity as director, manager, authorised officer, employee or agent.

Expenses for the preparation and presentation of a defence in any claim, action, lawsuit or proceedings brought against a Director, Conducting Person, manager, authorised officer, employee or agent will be advanced by the Company, prior to any final decision on the case, on receipt of a commitment by or on behalf of the Director, Conducting Person, manager, authorised officer, employee or agent to repay this amount if it ultimately becomes apparent that they are not entitled to

indemnification. Notwithstanding the above, the Company may take out the necessary insurance policies on behalf of Directors, Conducting Persons, managers, authorised officers, employees or agents of the Company.

Each Sub-Fund shall pay for the costs and expenses directly attributable to it. The Board will determine the aggregate amount of costs and expenses to be paid out of the assets of the relevant Sub-Fund on a quarterly basis in its discretion, provided that such costs and expenses will be limited to a maximum of 0.30% p.a. of the average Net Asset Value of the relevant Sub-Fund. Costs and expenses that cannot be attributed to a given Sub-Fund shall be allocated to the Sub-Funds on an equitable basis, in proportion to their respective net assets.

23.3 Formation and Launching Expenses

Expenses incurred in connection with the incorporation of the Company and the creation of the initial Sub-Funds, including those incurred in the preparation and publication of the first Prospectus and simplified prospectuses, as well as the taxes, duties and any other publication expenses, are estimated at EUR 350,000 and will be written off over a period of five (5) years.

All fees, costs and expenses referred to in the preceding paragraph are referred to as **Formation and Launching Expenses**. Expenses incurred in connection with the creation of any additional Sub-Fund may be borne by the relevant Sub-Fund and will be written off over a period of five (5) years. Hence, the additional Sub-Funds will not bear a pro rata proportion of the Formation and Launching Expenses.

24. DIVIDENDS

Each year the general meeting of Shareholders will decide, based on a proposal from the Board, for each Sub-Fund, on the use of the balance of the year's net income of the investments. A dividend may be distributed, either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR 1,250,000.

Over and above the distributions mentioned in the preceding paragraph, the Board may decide to the payment of interim dividends in the form and under the conditions as provided by law.

The Board may issue distribution Shares and accumulation Shares within the Classes of each Sub-Fund, as indicated in the Special Sections. Accumulation Shares capitalise their entire earnings whereas distribution Shares pay dividends.

For Classes entitled to distribution, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Board within the conditions set forth by law.

Payments will be made in the Reference Currency of the relevant Sub-Fund. With regard to Shares held through Euroclear or Clearstream (or their successors), dividends shall be paid by bank transfer to the relevant bank. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund.

Dividends may be declared separately in respect of each Sub-Fund by a resolution of the Shareholders of the Sub-Fund concerned at the annual general meeting of Shareholders.

25. TAX ASPECTS

25.1 Luxembourg

The Company's assets are subject to tax (*taxe d'abonnement*) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of Sub-Funds or Classes reserved to Institutional Investors), payable quarterly. In case some Sub-Funds are invested in other Luxembourg UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Act, no annual subscription tax (*taxe d'abonnement*) is due from the Company on the portion of assets invested therein.

The Company's income is not taxable in Luxembourg. Income received from the Company may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the Company.

Under current legislation, Shareholders are not subject to any capital gains, income, withholding, or other taxes in Luxembourg with respect to their investment in the Shares, except for (i) those Shareholders resident of, or established in Luxembourg, or having a permanent establishment or permanent representative in Luxembourg, or (ii) the withholding tax referred to in Section 25.2 below.

25.2 EU tax considerations for individuals resident in the EU or in certain third countries or dependent or associated territories

The Council of the EU has adopted on 3 June 2003 Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **EU Savings Directive**).

Under the EU Savings Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the EU Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino, the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax. The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

The EU Savings Directive has been implemented in Luxembourg by a law dated 21 June 2005 (the **2005 Savings Act**).

Dividends distributed by a Sub-Fund will be subject to the EU Savings Directive and the 2005 Savings Act if more than 15% of such Sub-Fund's assets are invested in debt claims (as defined in the 2005 Savings Act) and income realised by Shareholders on the redemption or sale of Shares will be subject to the EU Savings Directive and the 2005 Savings Act if more than 25% of such Sub-Fund's assets are invested in debt claims (such funds, hereafter **Affected Sub-Funds**).

Consequently, if in relation to an Affected Sub-Fund a Luxembourg paying agent makes a dividend distribution or pays income realised on the redemption or sale of Shares directly to a Shareholder who is an individual or a residual entity within the meaning of article 4.2 of the 2005 Savings Act resident or deemed resident for tax purposes in another EU Member State or certain of the above mentioned dependent or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated below.

No withholding tax will be withheld by the Luxembourg paying agent if:

- the relevant individual either (i) has expressly authorised the paying agent to report information to the tax authorities in accordance with the provisions of the 2005 Savings Act or (ii) has provided the paying agent with a certificate drawn up in the format required by the 2005 Savings Act by the competent authorities of his State of residence for tax purposes; or
- the relevant residual entity has expressly authorised the paying agent to report information to the tax authorities in accordance with the provisions of the 2005 Savings Act.

Since 1 July 2011, the applicable withholding tax is at a rate of 35%.

The Company reserves the right to reject any application for Shares if the information provided by any prospective investor does not meet the standards required by the 2005 Savings Act as a result of this EU Savings Directive.

The foregoing is only a summary of the implications of the EU Savings Directive and the 2005 Savings Act, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the EU Savings Directive and the 2005 Savings Act.

25.3 Other jurisdictions

Interest, dividend and other income realised by the Company on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Company will pay since the amount of the assets to be invested in various countries and the ability of the Company to reduce such taxes is not known.

It is expected that Shareholders may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the tax consequences for each prospective investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances.

25.4 Future changes in applicable law

The foregoing description of Luxembourg tax consequences of an investment in, and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Shareholders to increased income taxes.

THE INFORMATION SET OUT ABOVE IS A SUMMARY OF THOSE TAX ISSUES WHICH COULD ARISE IN LUXEMBOURG AND DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OF THE TAX ISSUES WHICH COULD AFFECT A PROSPECTIVE SUBSCRIBER.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.

26. CALCULATION OF NET ASSET VALUE

The Company, each Sub-Fund and each Class in a Sub-Fund have a Net Asset Value determined in accordance with the Articles. The reference currency of the Company is the Euro. The Net Asset Value of each Class of Shares of each Sub-Fund shall be calculated in the Reference Currency of the relevant Class, as it is stipulated in the relevant Special Section, and shall be determined by the Administrative Agent as on each Valuation Day as stipulated in the relevant Special Section, by calculating the aggregate of:

- (a) the value of all assets of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Articles; less
- (b) all the liabilities of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-Fund, which fees have accrued but are unpaid on the relevant Valuation Day.

The Net Asset Value per Share shall be calculated in the Reference Currency of the relevant Sub-Fund and shall be calculated by the Administrative Agent as at the Valuation Day of the relevant Sub-Fund by dividing the Net Asset Value of the relevant Sub-Fund by the number of Shares which are in issue on such Valuation Day in the relevant Sub-Fund (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

If the Sub-Fund has more than one Class in issue, the Administrative Agent shall calculate the Net Asset Value for each Class by dividing the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class by the number of Shares of such Class in the relevant Sub-Fund which are in issue on such Valuation Day (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

The Net Asset Value per Share may be rounded up or down to the nearest whole unit of the currency in which the Net Asset Value of the relevant shares are calculated.

The allocation of assets and liabilities of the Company between Sub-Funds (and within each Sub-Fund between the different Classes) shall be effected so that:

- (a) The subscription price received by the Company on the issue of Shares, and reductions in the value of the Company as a consequence of the redemption of Shares, shall be attributed to the Sub-Fund (and within that Sub-Fund, the Class) to which the relevant Shares belong.
- (b) Assets acquired by the Company upon the investment of the subscription proceeds and income and capital appreciation in relation to such investments which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) shall be attributed to such Sub-Fund (or Class in the Sub-Fund).
- (c) Assets disposed of by the Company as a consequence of the redemption of Shares and liabilities, expenses and capital depreciation relating to investments made by the Company and other operations of the Company, which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) shall be attributed to such Sub-Fund (or Class in the Sub-Fund).
- (d) Where the use of foreign exchange transactions, instruments or financial techniques relates to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) the consequences of their use shall be attributed to such Sub-Fund (or Class in the Sub-Fund).
- (e) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques relate to more than one Sub-

Fund (or within a Sub-Fund, to more than one Class), they shall be attributed to such Sub-Funds (or Classes, as the case may be) in proportion to the extent to which they are attributable to each such Sub-Fund (or each such Class).

- (f) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques cannot be attributed to a particular Sub-Fund they shall be divided equally between all Sub-Funds or, in so far as is justified by the amounts, shall be attributed in proportion to the relative Net Asset Value of the Sub-Funds (or Classes in the Sub-Fund) if the Company, in its sole discretion, determines that this is the most appropriate method of attribution.
- (g) Upon payment of dividends to the Shareholders of a Sub-Fund (and within a Sub-Fund, to a specific Class) the net assets of this Sub-Fund (or Class in the Sub-Fund) are reduced by the amount of such dividend.

If, within a Class several Sub-Classes have been created, the allocation rules set out above will apply similarly to these Sub-Classes.

The assets of the Company will be valued as follows:

- (a) The value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable (including reimbursements of fees and expenses payable by any UCI in which the Company may invest), prepaid expenses and cash dividends declared and interest accrued but not yet collected, shall be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value will be arrived at after deducting such amounts as the Board may consider appropriate to reflect the true value of these assets.
- (b) Securities and Money Market Instruments listed on an official stock exchange or dealt on any other Regulated Market will be valued at their last available price in Luxembourg on the Valuation Day and, if the security or Money Market Instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation will be based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Board.
- (c) Unlisted securities and securities or Money Market Instruments not traded on a stock exchange or any other Regulated Market as well as listed securities and securities or Money Market Instruments listed on a Regulated Market for which no price is available, or securities or Money Market Instruments whose quoted price is, in the opinion of the Board, not representative of actual market value, will be valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Board.
- (d) Securities or Money Market Instruments denominated in a currency other than the relevant Sub-Fund's valuation currency will be converted at the average exchange rate of the currency concerned applicable on the Valuation Day.
- (e) The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.
- (f) The liquidation value of futures, spot, forward or options contracts that are not traded on stock exchanges or other Regulated Markets will be equal to their net liquidation value determined in accordance with the policies established by the Board on a basis consistently

applied to each type of contract. The liquidation value of futures, spot, forward or options contracts traded on stock exchanges or other Regulated Markets will be based on the latest available price for these contracts on the stock exchanges and Regulated Markets on which these options, spot, forward or futures contracts are traded by the Company; provided that if an options or futures contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract shall be determined by the Board in a fair and reasonable manner.

- (g) Swaps are valued at their fair value based on the last known closing price of the underlying security.
- (h) UCIs are valued on the basis of their last available net asset value in Luxembourg. As indicated below, this net asset value may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.
- (i) Liquid assets and money market instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs.
- (j) Any other securities and assets are valued in accordance with the procedures put in place by the Board and with the help of specialist valuers, as the case may be, who will be instructed by the Board to carry out the said valuations.

In the context of Sub-Funds which invest in other UCIs, valuation of their assets may be complex in some circumstances and the administrative agents of such UCIs may be late or delay communicating the relevant net asset values. Consequently, the Administrative Agent, under the responsibility of the Board, may estimate the assets of the relevant Sub-Funds as of the Valuation Day considering, among other things, the last valuation of these assets, market changes and any other information received from the relevant UCIs. In this case, the Net Asset Value estimated for the Sub-Funds concerned may be different from the value that would have been calculated on the said Valuation Day using the official net asset values calculated by the administrative agents of the UCIs in which the Sub-Fund invested. Nevertheless, the Net Asset Value calculated using this method shall be considered as final and applicable despite any future divergence.

For the purpose of determining the value of the Company's assets, the Administrative Agent, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error or negligence on its part, upon the valuations provided either (i) by the Board, (ii) by various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters, etc) or administrators of underlying UCIs, (iii) by prime brokers and brokers, or (iv) by (a) specialist(s) duly authorised to that effect by the Board. In particular, for the valuation of any assets for which market quotations or fair market values are not publicly available (including but not limited to non listed structured or credit-related instruments and other illiquid assets), the Administrative Agent will exclusively rely on valuations provided either by the Board or by third party pricing sources appointed by the Board under its responsibility or other official pricing sources like UCIs' administrators and others like Telekurs, Bloomberg, Reuters and will not check the correctness and accuracy of the valuations so provided. If the Board gives instructions to the Administrative Agent to use a specific pricing source, the Board undertakes to make its own prior due diligence on such agents as far as its competence, reputation, professionalism are concerned so as to ensure that the prices which will be given to the Administrative Agent are reliable and the Administrative Agent will not, and shall not be required to, carry out any additional due diligence or testing on any such pricing source. So far as these assets are concerned, the sole responsibility of the Administrative Agent is to compute the Net Asset Value on the basis of the prices provided by the Board or the other appointed third party pricing source(s), without any responsibility whatsoever (in the absence of manifest error) on the correctness or

accuracy of the valuations provided by the relevant sources. For the avoidance of doubt, the Administrative Agent will not effect any testing on valuations on prices nor collect or analyse any supporting documents which will assess or evidence the accuracy of the prices of any asset held in the portfolio for which a price or valuation is provided in accordance with this Section 26 of the General Section.

If one or more sources of quotation is not able to provide relevant valuations to the Administrative Agent, the latter is authorised to not calculate the Net Asset Value and, consequently, not to determine subscription, redemption and conversion prices. The Administrative Agent shall immediately inform the Board if such a situation arises. If necessary, the Board may decide to suspend the calculation of the Net Asset Value in accordance with the procedures described in Section 27 of the General Section.

27. SUSPENSION OF DETERMINATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION OF SHARES

The Company may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-Fund or Class, the issue of the Shares of such Sub-Fund or Class to subscribers and the redemption of the Shares of such Sub-Fund or Class from its Shareholders as well as conversions of Shares of any Class in a Sub-Fund:

- (a) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the Sub-Fund or of the relevant Class, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund or of the relevant Class are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- (b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board, disposal of the assets of the Sub-Fund or of the relevant Class is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
- (c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the Sub-Fund or of the relevant Class or if, for any reason beyond the responsibility of the Board, the value of any asset of the Sub-Fund or of the relevant Class may not be determined as rapidly and accurately as required;
- (d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Sub-Fund's assets cannot be effected at normal rates of exchange; and
- (e) when the Board so decides, provided that all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) upon publication of a notice convening a general meeting of Shareholders of the Company or of a Sub-Fund for the purpose of deciding on the liquidation, dissolution, the merger or absorption of the Company or the relevant Sub-Fund and (ii) when the Board is empowered to decide on this matter, upon their decision to liquidate, dissolve, merge or absorb the relevant Sub-Fund.

Any such suspension may be notified by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby. The Company shall notify Shareholders requesting redemption of their Shares of such suspension.

28. GENERAL INFORMATION

28.1 Auditor

PricewaterhouseCoopers S.à r.l. has been appointed as Auditor of the Company.

28.2 Fiscal year

The accounts of the Company are closed at 31 December each year and the first time on 31 December 2009.

28.3 Reports and notices to Shareholders

Audited annual reports of the end of each fiscal year will be established as at 31 December of each year. In addition, unaudited semi-annual reports will be established as per the last day of the month of June. Those financial reports will provide for information on each of the Sub-Fund's assets as well as the consolidated accounts of the Company and be made available to the Shareholders free of charge at the registered office of the Company and of the Custodian.

The financial statements of each Sub-Fund will be established in the Reference Currency of the Sub-Fund but the consolidated accounts will be in Euro.

Audited annual reports shall be published within 4 months following the end of the accounting year and unaudited semi-annual reports shall be published within 2 months following the end of period to which they refer.

Information on the Net Asset Value, the subscription price (if any) and the redemption price may be obtained at the registered office of the Company.

28.4 Shareholders' meetings

The annual general meeting of the Shareholders in the Company shall be held at the registered office of the Company or on the place specified in the convening notice on the third Friday in April of each year at 3.00 p.m. (Luxembourg time).

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) will be mailed to each registered Shareholder at least eight days prior to the meeting and will be published to the extent required by Luxembourg law in the *Mémorial* and in any Luxembourg and other newspaper(s) that the Board may determine.

Such notices shall contain the agenda, the date and place of the meeting, the conditions of admission to the meeting and they shall refer to the applicable quorum and majority requirements. The meetings of Shareholders of Shares of a particular Sub-Fund may decide on matters which are relevant only for the Sub-Fund concerned.

28.5 Documents available to Shareholders

The following documents shall also be available for inspection by Shareholders during normal business hours on any Business Day at the registered office of the Company:

- the Articles;
- the Investment Management Agreement;

- the Custodian Bank and Services Agreement; and
- the most recent annual and semi-annual financial statements of the Company.

The above agreements may be amended from time to time by all the parties involved.

A copy of the Prospectus, simplified prospectus, the most recent financial statements and the Articles may be obtained free of charge upon request at the registered office of the Company.

28.6 Changes of address

Shareholders must notify the Administrative Agent in writing, at the address indicated above, of any changes or other account information.

29. LIQUIDATION, MERGER OF SUB-FUNDS, CLASSES AND SUB-CLASSES

29.1 Dissolution of the Company

The duration of the Company is not limited by the Articles. The Company may be wound up by decision of an extraordinary general meeting of Shareholders. If the total net assets of the Company falls below two-thirds of the minimum capital prescribed by law (i.e. EUR 1,250,000), the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed and which shall pass resolutions by simple majority of the Shares represented at the meeting.

If the total net assets of the Company fall below one-fourth of the minimum capital prescribed by law, the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days from the date of ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

If the Company is dissolved, the liquidation shall be carried out by one or several liquidators appointed in accordance with the provisions of the 2010 Act. The decision to dissolve the Company will be published in the *Mémorial* and two newspapers with adequate circulation, one of which must be a Luxembourg newspaper. The liquidator(s) will realise each Sub-Fund's assets in the best interests of the Shareholders and apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Shareholders of the relevant Sub-Fund according to their respective prorata. Any amounts unclaimed by the Shareholders at the closing of the liquidation of the Company will be deposited with the Caisse de Consignation in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they shall be forfeited.

As soon as the decision to wind up the Company is made, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited and shall be deemed void.

29.2 Merger or liquidation of Sub-Funds, Classes or Sub-Classes

If, for any reason, the net assets of a Sub-Fund or of any Class or Sub-Class fall below the equivalent of EUR 5,000,000, or if a change in the economic or political environment of the relevant Sub-Fund, Class or Sub-Class may have material adverse consequences on the Sub-Fund, Class or Sub-Class's investments, or if an economic rationalisation so requires, the Board may decide on a compulsory

redemption of all Shares outstanding in such Sub-Fund, Class or Sub-Class on the basis of the Net Asset Value per Share (after taking account of current realisation prices of the investments as well as realisation expenses), calculated as of the day the decision becomes effective. The Company will serve a notice to the holders of the relevant Shares prior to the effective date for the compulsory redemption, which will indicate the reasons of and the procedure for the redemption operations. Registered Shareholders will be notified in writing. Unless the Board decides otherwise in the interests of, or in order to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund, Class or Sub-Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charge. However, the liquidation costs will be taken into account in the redemption and conversion price. Liquidation proceeds which could not be distributed to the Shareholders upon the conclusion of the liquidation of a Sub-Fund, Class or Sub-Class will be deposited with the *Caisse de Consignation* on behalf of such beneficiaries until the statutory limitation period has lapsed.

Notwithstanding the powers granted to the Board as described in the previous paragraph, a general meeting of Shareholders of a Sub-Fund, Class or Sub-Class may, upon proposal of the Board, decide to repurchase all the Shares in such Sub-Fund, Class or Sub-Class and to reimburse the Shareholders on the basis of the Net Asset Value of their Shares (taking account of current realisation prices of the investments as well as realisation expenses) calculated as of the Valuation Day on which such decision shall become effective. No quorum shall be required at this general meeting and resolutions shall be passed by a simple majority of the shareholders present or represented, provided that the decision does not result in the liquidation of the Company.

Liquidation proceeds which could not be distributed to the Shareholders upon the conclusion of the liquidation of a Sub-Fund, Class or Sub-Class will be deposited with the *Caisse de Consignation* on behalf of such beneficiaries until the statutory limitation period has lapsed.

All the Shares redeemed will be cancelled.

Under the same circumstances as provided in the first paragraph of this Section 29.2, the Board may decide to merge or consolidate the Company or one or more Sub-Funds or one or more Classes and or Sub-Classes with, or transfer substantially all or part of the Company's or any Sub-Fund's or any Class's or Sub-Class's assets to, or acquire substantially all the assets of, another Luxembourg UCITS or another Sub-Fund or another Class or Sub-Class (within the Company or another Luxembourg UCITS) with compatible investment objectives and policies in accordance with Luxembourg law and the Articles. In addition, such merger or contribution may be decided upon by the Board if it believes it to be required in the interests of the Shareholders of any of the Sub-Funds or Class or Sub-Class concerned.

Shareholders will receive shares of the surviving Luxembourg UCITS or Sub-Fund except in those situations when the Company or Sub-Fund or Class or Sub-Class is the surviving entity. Any new share received in such transaction will have the same value as any Shares relinquished in the transaction.

Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Sub-Fund or the other Luxembourg UCITS. Such publication will be made not less than one month before the date on which the merger or contribution becomes effective in order to enable Shareholders to request redemption of their Shares, free of redemption charge, before the contribution becomes effective.

Notwithstanding the powers granted to the Board in the above paragraph, a contribution of the assets and liabilities of a Sub-Fund, Class or Sub-Class to another Sub-Fund, Class or Sub-Class of the Company may be decided by the general meeting of Shareholders of the contributing Sub-Fund,

Class or Sub-Class. No quorum shall be required and a decision on such contribution shall be taken by a resolution passed by the majority of the shareholders present or represented, provided that this contribution does not result in the liquidation of the Company.

A contribution of the assets and liabilities attributable to a Sub-Fund, Class or Sub-Class to another UCITS or to another class or sub-class of such UCITS may be decided by a general meeting of Shareholders of the contributing Sub-Fund, Class or Sub-Class. No quorum shall be required and a decision on such contribution shall be made by a resolution passed by a simple majority of the Shares represented.

Where contribution is to be made to a mutual investment fund (*fonds commun de placement*) or a foreign-based UCITS, such resolution shall be binding only on Shareholders who have approved the proposed contribution. The Board may also, under the same circumstances as provided above, decide to merge one Sub-Fund by a contribution into a foreign UCI. In such case, approval of the relevant Shareholders should be sought or the merger be made upon the condition that only the assets of the consenting Shareholders be contributed to the foreign UCI.

For the interest of the Shareholders of the relevant Sub-Fund or in the event that a change in the economic or political situation relating to a Sub-Fund so justifies, the Board may proceed to the reorganisation of such Sub-Fund by means of a division into two or more Sub-Funds. Such decision will be published in the same manner as described above. Information concerning the new Sub-Fund(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

PART B – SPECIAL SECTIONS

SPECIAL SECTION I: ARGOS FUNDS – ASIA PACIFIC

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – Asia Pacific (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The objective of the Sub-Fund is to maximize long term capital appreciation by investing mostly in a portfolio of early, mid stage and undervalued established growth companies above USD500m in market cap while selling market favorite and mature growth companies.

In order to achieve this objective, the Sub-Fund will invest directly in a portfolio mainly constituted of shares quoted on Asia - Pacific stock exchanges, applying a bottom-up stock-picking approach targeting early to mid stage franchise growth enterprises, undervalued quality growth companies, emerging market equities with a preference for dividend payers, while selling or avoiding over owned, market favorite, mature growth companies. The Sub-Fund invests in healthy growing companies that are considered to be attractively valued and that satisfy the Investment Manager's proprietary criteria. The investment process is a research-driven fundamental analysis which involves extensive market screening, fundamental research and modeling resulting in a target buy and sell list.

The Sub-Fund will use CFDs and equity swaps when necessary.

The Sub-Fund will not invest more than 10% of its net assets in UCITS and other UCIs.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 5 of the General Section.

The Sub-Fund is also authorised, within the limits set forth under Section 5 of the General Section, to invest in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

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

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the USD. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

Each Business Day.

4. CLASSES AND SUB-CLASSES OF SHARES AVAILABLE

For the time being four Classes of Shares are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – Asia Pacific A (acc)	USD CHF EUR GBP SEK	USD 100 (or equivalent amount in CHF, GBP, EUR, SEK)	10,000	Max. 5% of the Net Asset Value per Share	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% subject to a high water mark (see section 9 below)
Argos Funds – Asia Pacific B (acc)	USD CHF EUR GBP SEK	USD 100 (or equivalent amount in CHF, GBP, EUR, SEK)	1,000,000	Nil	Max. 1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	10% subject to a high water mark (see section 9 below)
Argos Funds – Asia Pacific C (acc)	USD CHF EUR GBP SEK	USD 100 (or equivalent amount in CHF, GBP, EUR, SEK)	5,000,000	Nil	Max. 1% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	10% subject to a high water mark (see section 9 below)
Argos Funds – Asia Pacific X (acc)	USD CHF EUR GBP SEK	USD 100 (or equivalent amount in CHF, GBP, EUR, SEK)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application

The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the USD Sub-Class and the SEK Sub-Class denominated in a currency other than the CHF, EUR, GBP, USD and the SEK respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the USD Sub-Class and the SEK Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, USD and the SEK Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the USD Sub-Class and the SEK Sub-Class.

5. INITIAL OFFERING DATE

The Sub-Fund is currently not open for subscriptions. The Sub-Fund will be launched upon decision of the Board and subject to an amendment of this Special Section.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, within two Business Days after the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent not later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in USD or in SEK, depending on the Sub-Class concerned, within five Business Days following the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. CONVERSION

Shares in the Sub-Fund may be converted on each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund, Class or Sub-Class in accordance with Section 12 of the General Section.

Conversion requests must be received by the Administrative Agent no later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund, Class or Sub-Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. INVESTMENT MANAGER AND INVESTMENT ADVISER

The Investment Manager has appointed, with the consent of the Company, Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg, as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager and Investment Adviser is disclosed in respect of each Class in Section 4 of this Special Section as the **Global Management Fee**. The Global Management

Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee in respect of Class A, B C and as follows:

- (a) In respect of Class A, the Performance Fee will be equivalent to 12.5% (twelve point five per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**), subject to a high water mark.
- (b) In respect of Class B and C, the Performance Fee will be equivalent to 10% (ten per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each Performance Period subject to a high water mark.

In respect of Class X, the Performance Fee and the high water mark will be determined by the Board on application.

The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

For Class A, B, and C, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is a specialist equity sub-fund investing primarily in a portfolio of companies whose activities or listing are in the Asia – Pacific region. This Sub-Fund uses an investment process which is based on the bottom-up analysis of companies and the Sub-Fund invests across the market capitalisation spectrum. This investment approach may mean that the Sub-Fund's returns and volatility may vary considerably from those of typical Asian benchmark indices.

The Sub-Fund may, therefore, be suitable for investors with at least a five year investment horizon looking for a specialised equity strategy and prepared to experience substantial volatility in returns over the short and medium term.

12. SPECIFIC RISK FACTORS

This equity Sub-Fund invests primarily in a portfolio of Asia Pacific equities.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

Additionally, the combination of long equity positions, CFDs and swaps means that the Sub Fund's return is primarily dependent upon the Investment Manager's skill to buy, upon recommendation of the Investment Adviser, undervalued stocks and to sell overvalued stocks, generating a different profile for the Sub-Fund when compared to long only equity vehicles.

This Sub-Fund is denominated in USD, but will have exposure to other currencies, including emerging market currencies.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the USD.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

Shareholders should in particular refer to the risk factors set out in Section 8.1 of the General Section relating to investments in emerging markets and Section 8.3(g) of the General Section relating to particular risks in relation to interest rate, currency, total return swaps, credit default swaps and interest rate swaptions.

SPECIAL SECTION II: ARGOS FUNDS – ARGONAUT FUND

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – Argonaut Fund (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The objective of the Sub-Fund is to maximise long term capital growth by investing primarily in a portfolio of micro and small capitalisation European companies.

In order to achieve this objective, the Sub-Fund will invest at least 75% of its net assets, excluding cash and cash equivalents, in shares of companies quoted on European stock exchanges, applying a strongly "bottom up" stock picking approach. The Sub-Fund will aim to exploit valuation inefficiencies in the market using a strong "value" style approach and investing in companies which, at the time of purchase, are micro-capitalisation companies or, to a limited extent, in larger stocks and substantially undervalued situations where the risk/reward profile provides interesting opportunities. Micro capitalisation companies are considered companies which, at the time of purchase, form the bottom 20% by market capitalisation of the relevant stock market. Small capitalisation companies are considered companies which, at the time of purchase, have a market capitalisation of less than EUR 500 million.

The Sub-Fund will not invest more than 10% of its net assets in UCITS and other UCIs.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out in under Section 5 of the General Section.

The Sub-Fund is also authorised, within the limits set forth under Section 5 of the General Section, to invest in financial derivative instruments or engage in certain techniques for currency hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

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

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the Euro. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

Three times per month, on the 10th, 20th and last calendar day of each month, or, if the calendar day is not a Business Day, on the following Business Day.

4. CLASSES AND SUB CLASSES AVAILABLE

For the time being eight Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – Argonaut Fund A (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	10,000	Max. 5% of the Net Asset Value per Share	1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund B (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	5,000,000	Nil	1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund C (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	10,000,000	Nil	1.0% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund D (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	5,000	Max. 5% of the Net Asset Value per Share	2.00% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund E (acc)	EUR	N/A	Nil	Nil	1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund X (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application
Argos Funds – Argonaut Fund S1 (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	Nil	Nil	Nil	Nil	Nil	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund S2 (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	Nil	Nil	Nil	Nil	Nil	12.5% over a hurdle rate subject to a high water mark (see section 9 below)

The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use

financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING DATE

Shares were offered from 10.00a.m. until 4.00p.m. (Luxembourg time) on 30 June 2009 (the **Initial Offering Date**).

All the assets of Argos Investment Fund - Argonaut Micro Cap, a sub-fund of Argos Investment Fund, a Luxembourg SICAV (at the time subject to part II of the Luxembourg act dated 20 December 2002 on undertakings for collective investment, as amended), have been contributed in kind to the Sub-Fund on 30 June 2009. Argos Investment Fund - Argonaut Micro Cap was liquidated further to this contribution in kind. In exchange, the contributing investors of Argos Investment Fund - Argonaut Micro Cap (the **Contributing Investors**) received Shares in the Sub-Fund, on the basis of the latest net asset value per share of Argos Investment Fund - Argonaut Micro Cap.

Class E Shares of the relevant Sub-Class have been allocated to Contributing Investors holding class A, B, C and D shares of Argos Investment Fund - Argonaut Micro Cap.

For the purpose of section 15 of the General Section, Class S1 Shares will be reserved for subscription, and may exclusively be held, by Argos Investment Managers S.A. and Class S2 Shares will be reserved for subscription, and may exclusively be held, by Banque Privée Edmond de Rothschild Europe.

Other investors were also authorised to subscribe for Shares of the Sub-Fund, except for Class E, S1 and S2 Shares, on the Initial Offering Date.

Class E Shares subscribed on the Initial Offering Date were issued at a subscription price equal to the net asset value per share of Argos Investment Fund - Argonaut Micro Cap, plus the Subscription Fee as set out under Section 4 of this Special Section. However, no Subscription Fee was levied on Class S1 and Class S2 Shares and on Shares issued to Contributing Investors.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor. Class E Shares will remain reserved for subscription by Contributing Investors, Class S1 Shares will remain reserved for subscription by Argos Investment Managers S.A. and Class S2 Shares will remain reserved for subscription by Banque Privée Edmond de Rothschild Europe.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 6.00p.m. Luxembourg time two Business Days before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in SEK or in USD depending on the Sub-Class concerned, one Business Day before the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent no later than 6.00p.m. (Luxembourg time) 15 Business Days before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day. In extraordinary market circumstances (to be determined in the reasonable discretion of the Board), redemption requests may be withdrawn by Shareholders until 6.00p.m. (Luxembourg time) 2 (two) days before the relevant Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in SEK or in USD, depending on the Sub-Class concerned, within five Business Days after the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. CONVERSION

Shares in the Sub-Fund may be converted on each Valuation Day.

Except in respect of Class S1 and Class S2 Shares, the Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund in accordance with Section 12 of the General Section.

Class S1 and Class S2 Shares may not be converted into Shares of another Sub-Fund, Class or Sub-Class and Shares of another Sub-Fund, Class or Sub-Class may not be converted into Class S1 or Class S2 Shares.

Conversion requests must be received by the Administrative Agent no later than 6.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. INVESTMENT MANAGER AND INVESTMENT ADVISER

The Investment Manager has appointed, with the consent of the Company, Argos Investment Advisors S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager and Investment Adviser is disclosed in respect of each Class in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee equivalent to 12.5% (twelve point five per cent) of the increase over a hurdle rate of 5 % per annum in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**) subject to a high water mark. The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

In respect of Class X, the Performance Fee and the high water mark will be determined by the Board on application.

For Class A, B, C, D, S1 and S2 the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

For Shares of Class E, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid;
- (ii) the highest net asset value per share of the relevant class of Argos Investment Fund – Argonaut Micro Cap contributed to this Sub-Fund at the end of a performance period on which a performance fee has been paid; and
- (iii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is a specialist equity sub-fund designed to give exposure to European micro capitalisation companies. Although such companies have often produced very high returns for investors, they have historically been less liquid and carry a higher risk of financial distress than larger blue chip companies. Therefore, investors in this Sub-Fund should be comfortable with its potential to be more volatile than core large-cap biased equity sub-funds.

Furthermore, the Sub-Fund uses a strong "value"-based approach to investing in companies and the level of company, stock and sector weightings are not determined with reference to any index.

The Sub-Fund may, therefore, be suitable for investors with at least a five-year investment horizon looking for a specialised micro capitalisation equity strategy to complement an existing core portfolio, but who are comfortable with a return profile that may vary considerably from that of most European equity funds.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

12. SPECIFIC RISK FACTORS

This Sub-Fund invests primarily in a portfolio of European micro-capitalisation equities including the UK.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

Because the portfolio is invested in very small companies, which tend to be less liquid and carry greater financial risk, volatility may be higher than in a typical European equity fund.

This Sub-Fund is denominated in EUR, but will have exposure to other currencies.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the Euro.

SPECIAL SECTION III: ARGOS FUNDS – ARGONAUT FUND HEDGE

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – Argonaut Fund Hedge (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The objective of the Sub-Fund is to maximise long term capital growth by investing primarily in a portfolio of micro and small capitalisation European companies.

In order to achieve this objective, the Sub-Fund will invest at least 75% of its net assets, excluding cash and cash equivalents in shares of companies quoted on European stock exchanges, applying a strongly "bottom up" stock picking approach. The Sub-Fund will aim to exploit valuation inefficiencies in the market using a strong "value" style approach and investing in companies which, at the time of purchase, are micro-capitalisation companies or, to a limited extent, in larger stocks and substantially undervalued situations where the risk/reward profile provides interesting opportunities. Micro capitalisation companies are considered companies which, at the time of purchase, form the bottom 20% by market capitalisation of the relevant stock market. Small capitalisation companies are considered companies which, at the time of purchase, have a market capitalisation of less than EUR 500 million.

The Sub-Fund is also authorised, within the limits set forth under Section 5 of the General Section, to invest in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

The Sub-Fund will not invest more than 10% of its net assets in UCITS and other UCIs.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out in under Section 5 of the General Section.

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

The Company, the Investment Manager and the Investment Adviser will seek, to the extent practicable, to hedge the Sub-Fund's portfolio against currency and market risks.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the Euro. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

Three times per month, on the 10th, 20th and last calendar day of each month, or, if the calendar day is not a Business Day, on the following Business Day.

4. CLASSES AND SUB-CLASSES AVAILABLE

For the time being six Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – Argonaut Fund Hedge A (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	10,000	Max. 5% of the Net Asset Value per Share	1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund Hedge B (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	5,000,000	Nil	1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund Hedge C (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	10,000,000	Nil	1.0% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund Hedge D (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	5,000	Max. 5% of the Net Asset Value per Share	2.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund Hedge E (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	N/A	N/A	1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Argonaut Fund Hedge X (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application

The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, the SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is

the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING DATE

The Sub-Fund is currently not open for subscriptions. The Sub-Fund will be launched upon decision of the Board and subject to an amendment of this Special Section.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 6.00p.m. Luxembourg time two Business Days before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in SEK or in USD depending on the Sub-Class concerned, one Business Day before the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent no later than 6.00p.m. (Luxembourg time) 15 Business Days before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day. In extraordinary market circumstances (to be determined in the reasonable discretion of the Board), redemption requests may be withdrawn by Shareholders until 6.00p.m. (Luxembourg time) 2 (two) days before the relevant Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in SEK or in USD, depending on the Sub-Class concerned, within five Business Days after the relevant Valuation Day.

A Redemption Fee as set out under Section 4. of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. CONVERSION

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 6.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. INVESTMENT MANAGER AND INVESTMENT ADVISER

The Investment Manager has appointed, with the consent of the Company, Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager and Investment Adviser is disclosed in respect of each Class in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee equivalent to 12.5% (twelve point five per cent) of the increase over a hurdle rate of 5 % per annum in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**) subject to a high water mark. The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

In respect of Class X, the Performance Fee and the high water mark will be determined by the Board on application.

The high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is a specialist equity sub-fund designed to give exposure to European micro capitalisation companies. Although such companies have often produced very high returns for investors, they have historically been less liquid and carry a higher risk of financial distress than larger blue chip companies. Therefore, investors in this Sub-Fund should be comfortable with its potential to be more volatile than core large-cap biased equity sub-funds.

Furthermore, the Sub-Fund uses a strong "value"-based approach to investing in companies and the level of company, stock and sector weightings are not determined with reference to any index.

The Company and the Investment Manager seek to mitigate some of the risks of investing in European equities through the use of derivatives and other instruments, meaning that the Sub-Fund may have a lower volatility than other funds typical of this asset class.

The Sub-Fund may, therefore, be suitable for investors with at least a five-year investment horizon looking for a specialised micro capitalisation equity strategy to complement an existing core portfolio, but who are comfortable with a return profile that may vary considerably from that of the reference index of the fund and from the returns of most European equity funds.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

12. SPECIFIC RISK FACTORS

This Sub-Fund invests primarily in a portfolio of European micro-capitalisation equities including the UK.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

Because the portfolio is invested in very small companies, which tend to be less liquid and carry greater financial risk, volatility may be higher than in a typical European equity fund.

Due to its stocks, sector and country allocations, the Sub-Fund may bear little resemblance to the composition of its benchmark and returns of the fund may vary significantly from that benchmark. There may, however, be greater potential for higher returns and losses.

The Company and the Investment Manager do, however, seek to mitigate some of the risks involved in equity investing by protecting the Sub-Fund through the use of derivatives and other instruments, meaning that the Sub-Fund may have a lower volatility than other funds typical of this asset class.

The Company, the Investment Manager and the Investment Adviser will seek, to the extent practicable, to hedge the Sub-Fund's portfolio against currency and market risks.

However, investors should note that there is no assurance that the hedging policy of the Sub-Fund will be effective. The Sub-Fund is neither guaranteed nor principal protected and there is no assurance that Shares are redeemed at a price for which they have been subscribed.

SPECIAL SECTION IV: ARGOS FUNDS – FAMILY ENTERPRISE

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – Family Enterprise (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The objective of the Sub-Fund is to achieve long term capital appreciation by investing primarily in a portfolio of small and mid capitalisation European companies with a family ownership, having a promising outlook and judged to be undervalued.

In order to achieve this objective, the Sub-Fund will invest directly in a portfolio mainly constituted of Transferable Securities listed on European stock exchanges or other European Regulated Markets and who have a portion of their capital held by a family. The Sub-Fund will apply a bottom-up stock picking approach mostly targeting companies included in the manager defined universe. The Sub-Fund will invest in healthy growing European companies that are considered to be attractively valued and that satisfy the Investment Manager's investment criteria. The investment process is a research-driven fundamental analysis which involves extensive company visits to ascertain the quality of management and operating assets.

The Sub-Fund will at all times have 75% of its portfolio invested in the shares of European companies.

The Sub-Fund will not invest more than 10% of its net assets in UCITS and other UCIs.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 5 of the General Section.

The Sub-Fund is also authorised, within the limits set forth under Section 5 of the General Section, to invest in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

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

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the Euro. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

Three times per month, on the 10th, 20th and last calendar day of each month, or, if the calendar day is not a Business Day, on the following Business Day.

4. CLASSES AND SUB-CLASSES AVAILABLE

For the time being six Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – Family Enterprise A (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	10,000	Max. 5% of the Net Asset Value per Share	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Family Enterprise B (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	1,000,000	Nil	Max. 1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	Nil
Argos Funds – Family Enterprise C (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	5,000,000	Nil	Max. 1% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	Nil
Argos Funds – Family Enterprise D (acc)	EUR CHF GBP SEK USD	N/A	Nil	Nil	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Family Enterprise E (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, SEK, USD)	1,000	Max. 5% of the Net Asset Value per Share	2.00% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Family Enterprise X (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application

The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, the SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING DATE

Shares will be offered from 10.00a.m. until 4.00p.m. (Luxembourg time) on 8 August 2011 (the **Initial Offering Date**).

All the assets of Argos Investment Fund – Family Enterprise, a sub-fund of Argos Investment Fund, a Luxembourg SICAV subject to part II of the 2010 Act, will be contributed in kind to the Sub-Fund on 8 August 2011. Argos Investment Fund – Family Enterprise will be liquidated further to this contribution in kind. In exchange, the contributing investors of Argos Investment Fund – Family Enterprise (the **Contributing Investors**) will receive Shares in the Sub-Fund, on the basis of the latest net asset value per share of Argos Investment Fund – Family Enterprise.

Class D Shares will be allocated to Contributing Investors holding class A shares of Argos Investment Fund – Family Enterprise.

On the Initial Offering Date, other investors are also authorised to subscribe for Shares of the Sub-Fund, except for Class D Shares.

Class D Shares subscribed on the Initial Offering Date will be issued at a subscription price equal to the latest net asset value per share of Argos Investment Fund – Family Enterprise. No Subscription Fee will be levied on Class D Shares issued to Contributing Investors.

Class A, Class B, Class C and Class X Shares subscribed on the Initial Offering Date will be issued at a subscription price equal to 100 units of the valuation currency of the Class or Sub-Class concerned, i.e, EUR100 or an equivalent amount in CHF, GBP, USD, SEK, plus, in respect of Class A Shares, the Subscription Fee as set out under Section 4 of this Special Section. No Subscription Fee will be levied on Class B, Class C and Class X Shares.

Subscription requests on the Initial Offering Date must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor and be received by the Administrative Agent no later than 4.00p.m (Luxembourg time) on the Initial Offering Date. Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK, depending on the Sub-Class concerned, on the Initial Offering Date.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor. Class D Shares will remain reserved for subscription by Contributing Investors.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 6.00p.m. Luxembourg time two Business Days before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, one Business Day before the relevant Valuation Day.

A Subscription Fee as set out under Section 4. of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent not later than 4.00p.m. (Luxembourg time) five Business Days before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in USD or in SEK, depending on the Sub-Class concerned, within five Business Days following the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. CONVERSION

Shares in the Sub-Fund may be converted on each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund, Class or Sub-Class in accordance with Section 12 of the General Section.

Conversion requests must be received by the Administrative Agent no later than 4.00p.m. (Luxembourg time) five Business Days before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund, Class or Sub-Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. INVESTMENT MANAGER AND INVESTMENT ADVISER

The Investment Manager has appointed, with the consent of the Company, Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager and Investment Adviser is disclosed in respect of each Class in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee in respect of Class A and Class D. The Performance Fee will be equivalent to 12.5% (twelve point five per cent) of the increase over a hurdle rate of 5 % per annum in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**) subject to a high water mark. The use of a high water mark (as described below) ensures that investors will not be charged a

Performance Fee until any previous losses are recovered. No Performance Fee will be paid out of the assets of the Sub-Fund in respect of other Classes.

In respect of Class X, the Performance Fee and the high water mark will be determined by the Board on application.

For Class A, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

For Shares of Class D, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid;
- (ii) the highest net asset value per share of the relevant class of Argos Investment Fund – Family Enterprise contributed to this Sub-Fund at the end of a performance period on which a performance fee has been paid; and
- (iii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is a specialist equity sub-fund investing primarily in a portfolio of companies whose activities or listing are in Europe, including Eastern Europe. This Sub-Fund uses an investment process which is based on the bottom-up analysis of companies and the Sub-Fund invests across the market

capitalisation spectrum. This investment approach may mean that the Sub-Fund's returns vary considerably from those of typical European benchmark indices.

The Sub-Fund may, therefore, be suitable for investors with at least a five year investment horizon looking for a specialised equity strategy to complement an existing core portfolio.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

12. SPECIFIC RISK FACTORS

This equity Sub-Fund invests primarily in a portfolio of European equities, including the UK and Central Europe.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

This Sub-Fund is denominated in EUR, but will have exposure to other currencies including Central European currencies.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the Euro.

SPECIAL SECTION V: ARGOS FUNDS – ACTIVE GOVERNANCE EQUITY FUND

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – Active Governance Equity Fund (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The objective of the Sub-Fund is to maximise long term capital appreciation by investing primarily in a portfolio of common and preferred stocks and other securities of publicly-traded companies targeted by "activist" investors.

The purpose of the Sub-Fund, in order to achieve this objective, is to detect companies that are targeted by "best in class activist" investors and to actively manage these positions through a process combining systematic research on SEC filings and technical analysis. The "activist" investment approach seeks, through friendly or adversarial means, to bring about a change in the operations, governance, capitalisation, or ownership of companies, in which the relevant managers own an interest. By convincing or forcing companies to make changes in these areas, these "activist" managers aim at benefitting from a resulting increase in the companies' stock or bond prices.

The Sub-Fund's methodology is focused on the following three elements:

- (a) The selection of "best in class" activist investors through the extensive analysis of SEC public filings (13F and 13D);
- (b) The detection of companies that are targeted by these "best in class activist" investors using public information;
- (c) The active management of the positions using technical analysis and public information.

The Sub-Fund will invest at least 66.6% of its NAV (excluding cash and cash equivalents) in a portfolio of common and preferred stocks and other securities of mid and large cap companies. Mid and large capitalisation companies are considered companies which, at the time of purchase, have a market capitalisation of more than USD 4 billion.

For the avoidance of doubt, the Sub-Fund itself will not seek to exercise influence over issuers.

The equity and / or equity related securities in which the Sub-Fund shall invest may include common stock, preferred stock and securities convertible into or exchangeable for such equity securities, such as convertible bonds. The equity securities in which the Sub-Fund may invest may also include new issues of equity securities offered by way of initial public offerings or through private placements. No more than 10% of the Net Asset Value of the Sub-Fund will be invested in privately placed securities.

The Sub-Fund may also invest in American, International, and Global Depository Receipts (ADR's / IDR's / GDR's) of companies which are listed on a regulated market, for the purpose of gaining indirect exposure to equity and/or equity related securities where the Investment Manager feels, upon recommendation of the Investment Advisers, it is more efficient to do so.

The Sub-Fund may also invest in sovereign, supranational and corporate bond issues of fixed and / or floating rate. Investment in bonds will be to a limited extent and is only anticipated in

circumstances where the Investment Manager is of the view that equity markets might behave irrationally and that such investments are in the best interest of the Sub-Fund.

The Sub-Fund may also invest up to 10% of its Net Asset Value in UCITS and other UCIs.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorized investments set out under Section 5 of the General Section.

The Sub-Fund is also authorised, within the limits set forth under Section 5 of the General Section, to invest in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the USD. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned (if any).

3. VALUATION DAY

Each Business Day.

4. CLASSES AND SUB-CLASSES OF SHARES AVAILABLE

For the time being four Classes of Shares are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (USD or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – Active Governance Equity Fund A (acc)	USD CHF EUR GBP SEK	USD 100 (or equivalent amount in CHF, GBP, SEK)	10,000	Max. 5% of the Net Asset Value per Share	1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	20% subject to a high water mark (see section 9 below)
Argos Funds – Active Governance Equity Fund B (acc)	USD CHF EUR GBP SEK	USD 100 (or equivalent amount in CHF, EUR, GBP, SEK)	1,000,000	Nil	1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	20% subject to a high water mark (see section 9 below)

Argos Funds – Active Governance Equity Fund C (acc)	USD CHF EUR GBP SEK	USD 100 (or equivalent amount in CHF, EUR, GBP, SEK)	5,000,000	Nil	1.0% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	20% subject to a high water mark (see section 9 below)
Argos Funds – Active Governance Equity Fund X (acc)	USD CHF EUR GBP SEK	USD 100 (or equivalent amount in CHF, EUR, GBP, SEK)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application

The Company will aim at hedging assets of the USD Sub-Class, the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class and the SEK Sub-Class denominated in a currency other than the USD CHF, EUR, GBP, and the SEK respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the USD Sub-Class, the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class and the SEK Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the USD, CHF, EUR, GBP and the SEK Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the USD Sub-Class, the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class and the SEK Sub-Class.

5. INITIAL OFFERING DATE

The Sub-Fund is currently not open for subscriptions. The Sub-Fund will be launched upon decision of the Board and subject to an amendment of this Special Section.

6. ONGOING SUBSCRIPTION

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in USD, in CHF, in EUR, in GBP or in SEK depending on the Sub-Class concerned, within two Business Days after the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent not later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in USD, in CHF, in EUR, in GBP or in SEK, depending on the Sub-Class concerned, within five Business Days following the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. **CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund in accordance with the Section 12 of the General Section.

Conversion requests must be received by the Administrative Agent not later than 4.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. **INVESTMENT MANAGER AND INVESTMENT ADVISERS**

The Investment Manager has appointed, with the consent of the Company:

- Geneva Partners SA with registered office at 33, Quai Wilson, 1201 Geneva, Switzerland; and
- Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg;

as investment advisers (the **Investment Advisers**) of the Sub-Fund.

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager and the Investment Advisers is disclosed in respect of each Class (if any) in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will also pay out of its assets a Performance Fee equivalent to 20% (twenty per cent) of the positive increase in the Net Asset Value per Share over the Standard & Poor's 500 composite index (**S&P 500**) multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**) subject to a high water mark. The hurdle rate will be reset at the beginning of each calendar year. The Performance Fee will only be payable if the Sub-Fund's absolute performance (before payment of the Performance Fee) is positive. The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

In respect of Class X, the Performance Fee and the high water mark will be determined by the Board on application.

For Class A, B and C the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and

(ii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Investment Advisers at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager and the Investment Advisers on the basis of allocation rules as agreed from time to time in writing between the Investment Manager and the Investment Advisers.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is a specialist equity sub-fund designed to give exposure to US mid and large cap equities that are targeted by "activist" investors. Although such companies have often produced very high returns for investors, they have historically been less liquid and carry a higher risk of financial distress than larger blue chip companies. Therefore, investors in this Sub-Fund should be comfortable with its potential to be more volatile than core large-cap biased equity sub-funds.

Furthermore, the Sub-Fund uses a specific discretionary process that aim to benefit from "best in class" activist investors selection and from technical opportunities, stock and sector weightings are not determined with reference to any index.

The Sub-Fund may, therefore, be suitable for investors with at least a three-year investment horizon looking for US equity exposure, but who are comfortable with a return profile that may vary from that of most US equity funds and carry substantial volatility.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

12. SPECIFIC RISK FACTORS

This Sub-Fund invests primarily in a portfolio of US mid and large cap equities.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

This Sub-Fund is denominated in USD, but will have exposure to other currencies.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager and the Investment Advisers do not intend to systematically hedge investments denominated in another currency against the USD.

SPECIAL SECTION VI: ARGOS FUNDS – COMPASS

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – Compass (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The objective is to achieve long term capital appreciation by holding European equity index futures.

In order to achieve this objective, the Sub-Fund will hold substantial proportion of its assets in liquid futures of European equity indexes listed on a stock exchange or dealt on a Regulated Market. The Sub-Fund may buy or sell futures. The Sub-Fund will manage its cash and may consequently invest in money market when it is deemed appropriate.

The Sub-Fund will also use currency hedging instrument when appropriate.

The Sub-Fund will not invest more than 10% of its net assets in UCITS and other UCIs.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 5 of the General Section.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the Euro. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

Each Business Day.

4. CLASSES AND SUB-CLASSES AVAILABLE

For the time being six Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance fee
Argos Funds – Compass A (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	5,000	Max. 5% of the Net Asset Value per Share	Max. 2.0% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	20% subject to a high water mark (see section 9 below)

Argos Funds – Compass B (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	1,000,000	Nil	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	15% subject to a high water mark (see section 9 below)
Argos Funds – Compass C (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	5,000,000	Nil	Max. 1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	15% subject to a high water mark (see section 9 below)
Argos Funds – Compass D (acc)	EUR CHF GBP SEK USD	N/A	Nil	Nil	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% over a hurdle rate subject to a high water mark (see section 9 below)
Argos Funds – Compass E (acc)	EUR CHF GBP SEK USD	N/A	Nil	Nil	Max. 2% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	20% subject to a high water mark (see section 9 below)
Argos Funds – Compass X (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application

The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, the SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING DATE

The Sub-Fund is currently not open for subscriptions. The Sub-Fund will be launched upon decision of the Board and subject to an amendment of this Special Section.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor. Class E and Class F Shares will remain reserved for subscription by Contributing Investors.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, within two Business Days after the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent not later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in USD or in SEK, depending on the Sub-Class concerned, within five Business Days following the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. CONVERSION

Shares in the Sub-Fund may be converted on each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund, Class or Sub-Class in accordance with Section 12 of the General Section.

Conversion requests must be received by the Administrative Agent no later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund, Class or Sub-Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. INVESTMENT MANAGER AND INVESTMENT ADVISER

The Investment Manager has appointed, with the consent of the Company, Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager and Investment Adviser is disclosed in respect of each

Class in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee in respect of Class A, B, C, D, E and F and as follows:

- (a) In respect of Class A and E, the Performance Fee will be equivalent to 20% (twenty per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**), subject to a high water mark.
- (b) In respect of Class B and C, the Performance Fee will be equivalent to 15% (fifteen per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each Performance Period subject to a high water mark.
- (c) In respect of Class D, the Performance Fee will be equivalent to 12.5% (twelve point five per cent) of the increase over a hurdle rate of 5% per annum in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each Performance Period subject to a high water mark.

In respect of Class X, the Performance Fee and the high water mark will be determined by the Board on application.

The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered. No Performance Fee will be paid out of the assets of the Sub-Fund in respect of other Classes.

For Shares the relevant Sub-Class of Class D, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

For Shares of each Sub-Class of Class E and Class F, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share the relevant Sub-Class at the end of a Performance Period on which a Performance Fee has been paid;
- (ii) the highest net asset value per share of the relevant class of Argos Investment Fund – Compass Class 1 or Class 2 respectively contributed to this Sub-Fund at the end of a performance period on which a performance fee has been paid; and
- (iii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is a specialist managed futures sub-fund investing primarily in liquid index futures. This Sub-Fund uses a proprietary investment process which is based on the behavioural theory of financial markets. This investment approach may mean that the Sub-Fund's returns vary considerably from those of typical European benchmark indices.

The Sub-Fund may, therefore, be suitable for investors with at least a five year investment horizon looking for a specialised managed futures strategy to complement their existing portfolios. The Sub-Fund can experience substantial volatility.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

12. SPECIFIC RISK FACTORS

This Sub-Fund invests primarily in liquid equity index futures.

As the Sub-Fund invests in equity index futures, investors are exposed to stock market fluctuations and the financial performance of the companies composing the Sub-Fund's index futures portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

This Sub-Fund is denominated in EUR, but will have exposure to other currencies.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the Euro.

SPECIAL SECTION VII: ARGOS FUNDS – INTERNATIONAL EQUITIES

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – International Equities (the Sub-Fund).

1. INVESTMENT OBJECTIVE AND POLICY

The objective of the Sub-Fund is to achieve, over the long term, optimum appreciation of the invested capital and to outperform the benchmark index i.e., MSCI World Equities.

The Sub-Fund will invest its assets mainly in shares or units issued by UCITS and eligible UCIs (within the 30% limit set out in section 5.4(b) of the General Section) investing themselves mainly in equities of large, mid or small capitalisation companies listed on a stock exchange or dealt on a Regulated Market.

The Sub-Fund may also achieve this objective by investing, on an ancillary basis, in other Transferable Securities.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 5 of the General Section.

The Sub-Fund is also authorised, within the limits set forth under Section 5 of the General Section, to invest in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

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

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the Euro. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

10th, 20th calendar day of each month and last day of each month.

4. CLASSES AND SUB-CLASSES AVAILABLE

For the time being four Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – International Equities A (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	5,000	Max. 5% of the Net Asset Value per Share	Max. 2% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	Nil
Argos Funds – International Equities B (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	1,000,000	Nil	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	Nil
Argos Funds – International Equities C (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	5,000,000	Nil	Max. 1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	Nil
Argos Funds – International Equities X (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application

The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, the SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING DATE

The Sub-Fund is currently not open for subscriptions. The Sub-Fund will be launched upon decision of the Board and subject to an amendment of this Special Section.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 6.00p.m. Luxembourg time two Business Days before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in SEK or in USD depending on the Sub-Class concerned, one Business Day before the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent no later than 6.00p.m. (Luxembourg time) two Business Days before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in SEK or in USD, depending on the Sub-Class concerned, within five Business Days after the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. CONVERSION

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 6.00p.m. Luxembourg time two Business Days before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. INVESTMENT MANAGER AND INVESTMENT ADVISER

The Investment Manager has appointed, with the consent of the Company, Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees payable out of the assets of the Sub-Fund to the Investment Manager and the Investment Adviser is disclosed in respect of each Class in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

No Performance Fee will be paid out of the assets of the Sub-Fund.

The Global Management Fee will be paid out of the assets of the Sub-Fund to the Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund invests mainly in shares or units issued by UCITS and eligible UCIs investing themselves mainly in equities of large, mid or small capitalisation companies listed on a stock exchange or dealt on a regulated market, which functions regularly and is recognised and open to the public. Through an in-depth analysis of the target UCITS and eligible UCIs, the Investment Manager identifies specific themes on which it targets to outperform the MSCI World Equities Index.

The Sub-Fund may, therefore, be suitable for investors with at least a five year investment horizon looking for a specialised exposure to world equities through recognised equity fund vehicles.

12. SPECIFIC RISK FACTORS

As the Sub-Fund invests in shares or units issued by UCITS and eligible UCIs, investors are exposed to stock market fluctuations and the financial performance of the companies held in the target UCITS' and eligible UCIs' portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

This Sub-Fund is denominated in EUR, but will have exposure to other currencies, including emerging market currencies.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the Euro.

SPECIAL SECTION VIII: ARGOS FUNDS – IRIS

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – IRIS (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The objective of the Sub-Fund is to achieve long-term attractive risk adjusted performance to the equity investor together with an asymmetric payoff profile with respect to the underlying equity markets mostly by investing into liquid equity indices on a dynamic basis.

The focus is on providing the investor with strong protection during the most difficult periods of the equity markets, nonetheless generating positive returns in upward market trending phases while maintaining a consistently low correlation level to traditional and other alternative investments throughout the equity market cycle.

The Sub-Fund's investment universe is composed of the most liquid global equity indices. The Sub-Fund invests in liquid equity index futures listed on a stock exchange or dealt on a Regulated Market. In terms of notional exposure, no use of leverage is made.

In terms of investment approach, the Sub-Fund uses a model based approach applied systematically to invest in the major global equity indices. The Sub-Fund may buy or sell futures on each market traded, while staying in cash when no signal is detected. Discretion can only be applied for risk management purposes.

The Sub-Fund manages its cash and can consequently invest in Money Market Instruments accordingly when it is deemed appropriate. The Sub-Fund may hold cash on an ancillary basis.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 5 of the General Section.

The Sub-Fund is also authorised, within the limits set forth under Section 5 of the General Section, to invest in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the Euro. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

10th, 20th calendar day of each month and last day of each month.

4. CLASSES AND SUB-CLASSES AVAILABLE

For the time being six Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – IRIS A (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	5,000	Max. 5% of the Net Asset Value per Share	Max. 2% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	20% subject to a high water mark (see section 9 below).
Argos Funds – IRIS B (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	1,000,000	Nil	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	15% subject to a high water mark (see section 9 below).
Argos Funds – IRIS C (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	5,000,000	Nil	Max. 1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	15% subject to a high water mark (see section 9 below).
Argos Funds – IRIS D (acc)	EUR CHF GBP SEK USD	N/A	Nil	Nil	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5% subject to a high water mark (see section 9 below).
Argos Funds – IRIS E (acc)	EUR CHF GBP SEK USD	N/A	Nil	Nil	Max. 2% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	20% subject to a high water mark (see section 9 below).
Argos Funds – IRIS X (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application

The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, the SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING DATE

The Sub-Fund is currently not open for subscriptions. The Sub-Fund will be launched upon decision of the Board and subject to an amendment of this Special Section.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor. Class E and F Shares will remain reserved for subscription by Contributing Investors.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 6.00p.m. Luxembourg time two Business Days before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, within two Business Days after the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent not later than 6.00p.m. Luxembourg time two Business Days before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in USD or in SEK, depending on the Sub-Class concerned, within five Business Days following the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. CONVERSION

Shares in the Sub-Fund may be converted on each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund, Class or Sub-Class in accordance with Section 12 of the General Section.

Conversion requests must be received by the Administrative Agent no later than 6.00p.m. Luxembourg time two Business Days before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund, Class or Sub-Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. INVESTMENT MANAGER AND INVESTMENT ADVISER

The Investment Manager has appointed, with the consent of the Company, Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager and Investment Adviser is disclosed in respect of each Class in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee as follows:

- (a) In respect of Class A and E, the Performance Fee will be equivalent to 20% (twenty per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**), subject to a high water mark.
- (b) In respect of Class B and C, the Performance Fee will be equivalent to 15% (fifteen per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each Performance Period subject to a high water mark.
- (c) In respect of Class D, the Performance Fee will be equivalent to 12.5% (twelve point five per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each Performance Period subject to a high water mark.

In respect of Class X, the Performance Fee and the high water mark will be determined by the Board on application.

The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered. No Performance Fee will be paid out of the assets of the Sub-Fund in respect of other Classes.

For Class A, B and C, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

For Class D, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

For Shares of each Sub-Class of Class E and Class F, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share of the relevant Sub-Class at the end of a Performance Period on which a Performance Fee has been paid;

- (ii) the highest net asset value per share of the relevant class of Argos Investment Fund – IRIS Class 1 or Class 2 respectively contributed to this Sub-Fund at the end of a performance period on which a performance fee has been paid; and
- (iii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is a specialist equity index focused sub-fund investing systematically in liquid equity index futures using a 100% model based approach. This Sub-Fund uses an investment process which is based on the behavioural theory of financial markets. This dynamic investment approach tends to create returns patterns for the Sub-Fund that vary considerably from those of the typical underlying global equity indices.

The Sub-Fund may, therefore, be suitable for investors with at least a three year investment horizon looking to generate returns by focusing entirely on a liquid investment exposure or alternatively who are looking to complement an existing portfolio with an asymmetric return profile and a particular equity downside protection. However given the investment techniques used, investors should in particular refer to the risk factors set out in Section 8 of the General Section.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

12. SPECIFIC RISK FACTORS

The investor should be aware of the main risks specific to this investment strategy: The equity market risk driven by the inherent directionality of the investment strategy and the currency risk driven by the dynamic exposure to markets with an underlying trading currency that differs from the reference currency of the investor Sub-Class.

Equity Market Risk ("Beta")

As the Sub-Fund invests in equity index futures on a directional basis, investors are exposed to the stock market fluctuations (market "beta"). As a consequence, investors bear this inherent volatility and shall see the value of their investment fall or rise on a daily basis. The investor consequently bears the risk to get back less than originally invested.

Currency Risk

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. This Sub-Fund is denominated in EUR, but will have exposure to other currencies. The Company, the Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the EUR. As a consequence, the investor bears the risk of a loss consequent to a strategy exposure in a market whose trading currency differs from the reference currency of the invested Sub-Class.

SPECIAL SECTION IX: ARGOS FUNDS – GLOBAL EQUITIES

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – Global Equities (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The Sub-Fund will seek to achieve its investment objective through investing primarily in Transferable Securities, on a global basis.

The Sub-Fund is not subject to any specific geographic diversification requirements.

The Sub-Fund may invest in American, International, and Global Depository Receipts (ADR's / IDR's / GDR's) of companies which are listed on a Regulated Market, for the purpose of gaining indirect exposure to equity and/or equity related securities where the Investment Manager and/or the Sub-Investment Manager, feel(s) upon recommendation of the Investment Adviser, it is more efficient to do so.

The Investment Manager will use a financially disciplined, thematic and growth based approach to investing the assets of the Sub-Fund, and will seek to invest in companies that exhibit strong earnings growth and a strong, competitive business, driven by the conviction that superior earnings growth translates into superior returns over time. The Investment Manager's investment process is a search for growth, which seeks to identify above average growth regions and sectors by applying key thematic drivers such as behavioural changes, prosperity, innovation, maturity and sophistication, before filtering such data into a focussed list of typically 500 stocks. These 500 stocks are then subject to extensive analysis, before a high conviction list of 40 to 50 stocks are identified for inclusion in the Sub-Fund's portfolio of investments. The Investment Manager will ultimately construct the Sub-Fund's portfolio of investments by way of individual stock selection and not by reference to any particular market index or benchmark. The Investment Manager expects that the Sub-Fund's portfolio of investments will show a significant departure from indices or benchmarks in relation to the weightings given to industry sectors, countries and individual stocks.

The Sub-Fund may also invest in sovereign, supranational and corporate bond issues of fixed and / or floating rate with a rating of not less than BB by Standard & Poor's Corporation, or its equivalent by Moody's or another rating agency. Where no rating is available, the Investment Manager may assign its own rating, which it deems to be the equivalent of the previously mentioned Standard & Poor's rating, or the equivalent of a rating provided by Moody's or any other rating agency. Investment in bonds will be to a limited extent and is only anticipated in circumstances where the Investment Manager and/or the Sub-Investment Manager is of the view, upon recommendation of the Investment Adviser, that equity markets are not performing and such an investment is in the best interests of the Sub-Fund.

The Sub-Fund may also invest up to 10% of its Net Asset Value in other UCITS and eligible UCIs, which comply with the provisions of section 5.1(a)(v) of the General Section.

The Sub-Fund is also authorised, within the limits set forth under Section 5 of the General Section, to invest in financial derivative instruments or engage in certain techniques for currency hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets. The use of financial derivative instruments is expected to be minimal and any resultant leverage generated by such instruments is also expected to be minimal and will not exceed 50% of the Sub-Fund's Net Asset Value.

The Investment Manager may also invest in Transferable Securities with embedded derivatives, such as equity warrants, convertible bonds, structured notes and hybrid securities (such as participation notes), to gain exposure to underlying equity and/or equity related securities as a more efficient and cheaper alternative to direct investment in that Transferable Security.

The Sub-Fund will be managed so as to be fully invested, other than during periods where the Investment Manager believes that a larger cash position is warranted. Under normal market conditions no more than 20% of the Net Asset Value of the Sub-Fund will be held as cash, however, in exceptional market conditions the Sub-Fund may have higher levels of cash where, in the Investment Manager's opinion, more attractive investment opportunities cannot be found.

The performance of the Sub-Fund's portfolio of investments will be measured against the MSCI World Total Return Net Index (the **Index**). The Index consists of more than 1,500 stocks in 23 countries globally and represents approximately 85% of the total market capitalisation in those countries. The countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and the United States.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the Euro. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

Each Business Day.

4. CLASSES AND SUB-CLASSES AVAILABLE

For the time being three Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – Global Equities A (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	10,000	Max. 5% of the Net Asset Value per Share	Max. 2% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	Nil
Argos Funds – Global Equities B (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	1,000,000	Nil	Max. 1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	10% subject to a high water mark (see section 9 below)

Argos Funds – Global Equities C (acc)	EUR CHF GBP SEK USD	EUR 100 (or equivalent amount in CHF, GBP, USD, SEK)	5,000,000	Nil	Max. 1% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	15% subject to a high water mark (see 9 section below)
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The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, the SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING PERIOD

Shares will be offered from 10.00a.m. until 4.00p.m. (Luxembourg time) from and including 15 February 2012 until 29 February 2012 (included) at the Initial Subscription Price set out under Section 4 of this Special Section (the **Initial Offering Period**).

Subscription requests during the Initial Offering Period must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor and be received by the Administrative Agent no later than 4.00p.m. (Luxembourg time) on last day of the Initial Offering Period. Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, on the last day of the Initial Offering Period.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, within two Business Days after the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent not later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in USD or in SEK, depending on the Sub-Class concerned, within five Business Days following the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. **CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund, Class or Sub-Class in accordance with Section 12 of the General Section.

Conversion requests must be received by the Administrative Agent no later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund, Class or Sub-Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. **INVESTMENT MANAGER, SUB-INVESTMENT MANAGER AND INVESTMENT ADVISER**

The Investment Manager has appointed, with the consent of the Company, Aubrey Capital Management Limited as sub-investment manager of the Sub-Fund (the **Sub-Investment Manager**). The Sub-Investment Manager is a company having its registered office at 22, Stafford Street, Edinburgh, EH3 7BD Scotland, registered under number SC299239 and regulated and authorised under number 455895 by the Financial Services Authority in the United Kingdom;

The Investment Manager has appointed, with the consent of the Company, Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager, the Sub-Investment Manager and the Investment Adviser is disclosed in respect of each Class in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee as follows:

- (a) In respect of Class B, the Performance Fee will be equivalent to 10% (ten per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**), subject to a high water mark.
- (b) In respect of Class C, the Performance Fee will be equivalent to 15% (fifteen per cent) of the increase in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect each Performance Period, subject to a high water mark.

The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered. No Performance Fee will be paid out of the assets of the Sub-Fund in respect of other Classes.

The high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Sub-Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following fiscal year until the end of the considered fiscal year.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager, the Sub-Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager, the Sub-Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is ideally suited to investors with a long-term investment horizon, whose investment objective is the achievement of growth in the value of their savings, and who are willing to accept an investment strategy involving a high level of volatility and risk in the management of their savings.

12. SPECIFIC RISK FACTORS

This equity Sub-Fund invests primarily in a portfolio of global equities and bonds.

As the Sub-Fund invests in equities and bonds, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

Also, investors should be aware that the Sub-Fund is investing in emerging markets, which may be subject to additional political and economic risks, while stocks can be negatively impacted by low liquidity, poor transparency and greater financial risks.

However, the volatility of the Sub-Fund is managed by its diversification across a large number of companies and industry groups and through the use of a variety of hedging instruments. The volatility of the Sub-Fund is therefore normally lower than that of typical funds in the emerging markets equity asset class.

This Sub-Fund is denominated in EUR, but will have significant exposure to other currencies, including the currencies of emerging market countries.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager, the Sub-Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the Euro.

SPECIAL SECTION X: ARGOS FUNDS – SM INVESTORS VALUE FUND

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – SM Investors Value Fund (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The Sub-Fund will seek to make investments in Transferable Securities and other securities of publicly traded companies. The Sub-Fund's investment operations will be grounded on an intense value methodology and based on a thorough "bottom up" analysis of underlying company fundamentals with a particular analytical focus on three elements: (i) valuation, including the relationship between a company's per share intrinsic, or private market value, and its share price, (ii) the stability, predictability and growth rate of operating cash flow and (iii) free cash generation and the extent of its return to shareholders via a combination of dividend, share repurchase and debt reduction.

The Sub-Fund will look to invest in Transferable Securities where it can determine the existence of both a significant margin of safety as well as opportunities for total return via capital appreciation coupled with current income. The Sub-Fund will seek to minimize investment risk by focusing its investments in companies which have the following characteristics:

- (a) franchise businesses which generate a stable and predictable level of revenue and operating cash flow in varying types of economic environments;
- (b) medium or large capitalisation issues with significant business operations and whose securities trade with adequate liquidity;
- (c) businesses with global brands and growth opportunities;
- (d) Transferable Securities which the Investment Manager and/or the Sub-Investment Manager deem(s), upon recommendation of the Investment Adviser, are undervalued and sell at substantially less than the Investment Manager's estimate of the company's per share intrinsic or, private market, value where a catalyst to surface value can also be identified. Catalysts can include, for example, an anticipated favourable turn in business, regulatory change, maturity or surfacing of hidden assets, management or ownership succession, accumulating cash balances, building shareholder pressure in deeply undervalued situations, anticipated restructuring events such as a substantial capitalisation shrinkage (share repurchase program) or spin off, or an anticipated favourable change in market sentiment in regards to underlying company fundamentals;
- (e) companies which generate significant levels of free cash flow and which when compared to the company's market value result in an above average free cash flow yield;
- (f) companies in which free cash flow is returned to shareholders in the form of dividends, share repurchase or debt reduction.

The Sub-Fund's second area of investment activity will be "event driven" investing where the anticipated investment timeframe is usually less than one year including merger arbitrage, spin offs, and other corporate restructurings and special situations including fixed income and convertible securities, smaller capitalization issues and other arbitrage-like opportunities. The Sub-Fund will commit capital to such activities with available cash with the investment objective of earning a moderate incremental return over the two-year risk free rate, while taking only nominal levels of investment risk.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the USD. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

Each Business Day.

4. CLASSES AND SUB-CLASSES AVAILABLE

For the time being four Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – SM Investors Value Fund A (acc)	USD EUR CHF GBP SEK	USD 100 (or equivalent amount in EUR; CHF, GBP, SEK)	10,000	Max. 5% of the Net Asset Value per Share	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	12.5%. subject to a high water mark (see section 9 below)
Argos Funds – SM Investors Value Fund B (acc)	USD EUR CHF GBP SEK	USD 100 (or equivalent amount in EUR; CHF, GBP, SEK)	5,000,000	Nil	Max. 1% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	10%. subject to a high water mark (see section 9 below)
Argos Funds – SM Investors Value Fund C (acc)	USD EUR CHF GBP SEK	USD 100 (or equivalent amount in EUR; CHF, GBP, SEK)	10,000	Nil	Max. 2.0% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	5%. subject to a high water mark (see section 9 below)
Argos Funds – SM Investors Value Fund X (acc)	USD EUR CHF GBP SEK	USD 100 (or equivalent amount in EUR; CHF, GBP, SEK)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application

The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, the SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the

CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING DATE

The Sub-Fund is currently not open for subscriptions. The Sub-Fund will be launched upon decision of the Board and subject to an amendment of this Special Section.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, within two Business Days after the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent not later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in USD or in SEK, depending on the Sub-Class concerned, within five Business Days following the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. CONVERSION

Shares in the Sub-Fund may be converted on each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund, Class or Sub-Class in accordance with Section 12 of the General Section.

Conversion requests must be received by the Administrative Agent no later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund, Class or Sub-Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. INVESTMENT MANAGER, SUB-INVESTMENT MANAGER AND INVESTMENT ADVISER

The Investment Manager has appointed, with the consent of the Company, S. Muoio & Co LLC as sub-investment manager of the Sub-Fund (the **Sub-Investment Manager**). The Sub-Investment Manager is a company having its registered office at 509 Madison Avenue, Suite 406, New York NY 10022, United States of America. The Sub-Investment Manager is authorised and regulated by the US Securities and Exchange Commission (**SEC**) under CRD Number 155549. The Sub-Investment Manager is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended.

In addition, the Investment Manager has appointed Argos Investment Advisors (Luxembourg) S.A. with registered office at 4, rue de l'Eau, L-1449 Luxembourg as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager, the Sub-Investment Manager and the Investment Adviser is disclosed in respect of each Class (if any) in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee in respect of Class A, B and C as follows:

- (a) In respect of Class A, the Performance fee will be equivalent to 12.5% (twelve point five per cent) of the increase per annum in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**), subject to a high water mark.
- (b) In respect of Class B, the Performance fee will be equivalent to 10% (ten per cent) of the increase per annum in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each Performance Period subject to a high water mark.
- (c) In respect of Class C, the Performance fee will be equivalent to 5% (five per cent) of the increase per annum in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each Performance Period subject to a high water mark.

In respect of Class X, the Performance Fee and the high water mark will be determined by the Board on application.

The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered. No Performance Fee will be paid out of the assets of the Sub-Fund in respect of Classes X Shares.

For Class A, B and C, the high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Sub-Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager, the Sub-Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager, the Sub-Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is a specialist equity Sub-Fund designed to give exposure primarily to medium to large capitalisation issues of franchise businesses both in the United States and globally. Although such investments can produce above average returns for investors, they are subject to equity-market volatility and risk. Therefore, investors in this Sub-Fund should be comfortable with equity investments in general.

Furthermore, the Sub-Fund uses a bottom-up approach to investing in companies and the level of company, stock and sector weightings are not determined with reference to any index.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

The Sub-Fund may, therefore, be suitable for investors with at least a three-year investment horizon looking for a primarily equity-based investment strategy to complement their other investments.

12. SPECIFIC RISK FACTORS

In addition to the risk factors set out below, Shareholders should refer to the risk factors set out in Section 8 of the General Section.

Company Specific Risks

The Sub-Fund, through its investments in securities, will be exposed to company specific risk, i.e., a company's business fundamentals or public market capitalisation may decline without prospect of near-term recovery, independent of the performance of the broad financial markets. The Investment Manager addresses company/security specific risk by adhering, with the assistance of the Sub-Investment Manager and the Investment Adviser, to a disciplined value conscious investment

approach which focuses on securities of companies with high quality, predictable businesses selling at large discounts to underlying intrinsic value, and by portfolio diversification.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

This Sub-Fund is denominated in USD, but will have exposure to other currencies.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager, the Sub-Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the USD.

SPECIAL SECTION XI: ARGOS FUNDS – SMC CHINA FUND (UCITS)

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Argos Funds – SMC China Fund (UCITS) (the **Sub-Fund**).

1. INVESTMENT OBJECTIVE AND POLICY

The Sub-Fund's principal objective is to achieve long term capital appreciation by investing into companies listed in, but not limited to, the People's Republic of China (**PRC**) and Hong Kong (hereafter referred to as the **Greater China** or **China**). The long-only strategy adopted by the Sub-Fund aims at discovering those companies set to benefit from China's growth story over the long term, allowing investors to capitalize on China's economic growth.

The Sub-Fund's strategy is based upon an overlay of top-down macro and technical analysis and bottom-up analytical screening and fundamental valuation processing. The Sub-Fund will use this strategy to invest across the Greater China equity markets, including but not limited to, H shares listed on the Hong Kong stock exchange, China A and B shares listed on the Shanghai and Shenzhen stock exchanges, shares listed on overseas stock exchanges such as New York Stock Exchange (**NYSE**) and National Association of Securities Dealers Automated Quote System (**NASDAQ**), Red-Chip shares, American Depositary Receipts (**ADRs**) and QFII derivatives (all as more fully described below).

Furthermore and without limitation (but always subject to the rules set out in Section 5 of the General Section), the Sub-Fund may invest in such options, contract notes, over-the-counter QFII derivatives or notes related to China and any other Eligible Investments that may become available from time to time in China and/or any other jurisdiction which the Investment Manager deems appropriate to invest in to achieve the Sub-Fund's objective, and in accordance with the authorised investments set out under Section 5 of the General Section.

The investment and trading in China A shares by foreign entities requires such entities to be granted a licence as a "qualified foreign institutional investor" (**QFII**) by the China Securities Regulatory Commission (**CSRC**). The Sub-Fund does not hold a QFII licence and will therefore gain exposure to such securities through QFII derivatives. The Sub-Fund will not invest in aggregate more than 35% of its NAV into China A shares.

The Sub-Fund will not invest more than 10% of its net assets in UCITS and other UCIs.

For the purpose of this Special Section:

- (a) **China A shares** means securities of Chinese incorporated companies that trade on either the Shanghai or Shenzhen stock exchanges. They are quoted in Renminbi (**RMB**). They can only be traded by residents of the PRC or under the Qualified Foreign Institutional Investor (**QFII**) rules.
- (b) **China B shares** are securities of Chinese incorporated companies that trade on either the Shanghai or Shenzhen stock exchanges. They are quoted in USD on the Shanghai stock exchange and Hong Kong dollars on the Shenzhen stock exchange. They can be traded by non-residents of the PRC and also residents of the PRC with appropriate foreign currency dealing accounts.
- (c) **China H shares** means securities of companies incorporated in the PRC and nominated by the Central Government for listing and trading on the Hong Kong stock exchange. They are

quoted and traded in Hong Kong Dollars. Like other securities trading on the Hong Kong stock exchange, there are no restrictions on who can trade "H" shares.

- (d) **Red Chip shares** means securities of Hong Kong incorporated companies that trade on the Hong Kong stock exchange. They are quoted in Hong Kong dollars. Red Chips are companies that are substantially owned directly or indirectly by the Chinese Government and have the majority of their business interests in mainland China.
- (e) **ADRs** means American Depositary Receipts of Chinese companies listed on the NYSE, NASDAQ or Over the Counter Bulletin Board (OTCBB) in the United States.
- (f) **QFII derivatives** means various products being offered by different QFIIs in relation to their quota license and allocation for trading in China related securities. These include various types of options, contract notes, over-the-counter instruments all tied to their individual quota and license to trade in relevant securities in China. For the avoidance of doubt, the Sub-Fund's exposure to China A shares through QFII derivatives will be taken into account for the purpose of the 35% maximum limit set out above.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund and of all Classes within the Sub-Fund is the USD. However, the Net Asset Value of each Sub-Class will be calculated and subscriptions and redemptions in each Sub-Class will be made in the currency of the Sub-Class concerned.

3. VALUATION DAY

Each Friday and last calendar day of each month. If such day is not a Business Day, the previous Business Day will be a Valuation Day.

4. CLASSES AND SUB-CLASSES AVAILABLE

For the time being three Classes are available in the Sub-Fund, with the following characteristics:

Share Class	Sub-Classes available	Initial Subscription Price	Minimum Subscription and Holding Amount (EUR or equivalent)	Subscription Fee	Global Management Fee	Redemption Fee	Conversion Fee	Performance Fee
Argos Funds – SMC China Fund (UCITS) A (acc)	USD EUR CHF GBP SEK	USD 100 (or equivalent amount in EUR; CHF, GBP, SEK)	10,000	Max. 5% of the Net Asset Value per Share	Max. 1.5% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	10%. subject to a high water mark (see section 9 below)
Argos Funds – SMC China Fund (UCITS) B (acc)	USD EUR CHF GBP SEK	USD 100 (or equivalent amount in EUR; CHF, GBP, SEK)	5,000,000	Nil	Max. 1.25% p.a. of the Net Asset Value	Max. 0.5% of the Net Asset Value per Share	Max. 1% of the Net Asset Value per Share	10%. subject to a high water mark (see section 9 below)

Argos Funds – SMC China Fund (UCITS) X (acc)	USD EUR CHF GBP SEK	USD 100 (or equivalent amount in EUR; CHF, GBP, SEK)	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application	To be determined by the Board on application
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The Company will aim at hedging assets of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class denominated in a currency other than the CHF, EUR, GBP, the SEK and the USD respectively. Costs and expenses incurred in hedging transactions shall be paid for by the Sub-Class concerned. To this end, the Company, on behalf of the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class will use financial derivative instruments and other techniques and instruments with the aim of protecting the CHF, EUR, GBP, SEK and the USD Sub-Classes' assets against foreign exchange fluctuations. It is the intention of the Board to hedge at least two-thirds of the assets in the CHF Sub-Class, the EUR Sub-Class, the GBP Sub-Class, the SEK Sub-Class and the USD Sub-Class.

5. INITIAL OFFERING PERIOD

Shares will be offered from 10.00a.m. until 4.00p.m. (Luxembourg time) from and including 15 May 2012 until 30 June 2012 (included) at the Initial Subscription Price set out under Section 4 of this Special Section (the **Initial Offering Period**).

Subscription requests during the Initial Offering Period must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor and be received by the Administrative Agent no later than 4.00p.m (Luxembourg time) on the last day of the Initial Offering Period. Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, on the last day of the Initial Offering Period.

6. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company, the Distributor(s) or a sub-distributor.

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00p.m. Luxembourg time one Business Day before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received, in CHF, in EUR, in GBP, in USD or in SEK depending on the Sub-Class concerned, within two Business Days after the relevant Valuation Day.

A Subscription Fee as set out under Section 4 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

7. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent, the Distributor(s) or a sub-distributor. Redemption requests must be received by the Administrative Agent not later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Custodian in CHF, in EUR, in GBP, in USD or in SEK, depending on the Sub-Class concerned, within five Business Days following the relevant Valuation Day.

A Redemption Fee as set out under Section 4 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

8. **CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund, Class or Sub-Class in accordance with Section 12 of the General Section.

Conversion requests must be received by the Administrative Agent no later than 4.00p.m. (Luxembourg time) one Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund, Class or Sub-Class as set out under Section 4 of this Special Section may be levied to cover conversion costs.

9. **INVESTMENT MANAGER, SUB-INVESTMENT MANAGER AND INVESTMENT ADVISER**

The Investment Manager has appointed, with the consent of the Company, Landmark Asset Management Limited as sub-investment manager of the Sub-Fund (the **Sub-Investment Manager**). The Sub-Investment Manager is a company having its registered office at 3601 Cheung Kong Centre, 2 Queen's Road, Central, Central, Hong Kong. The Sub-Investment Manager is authorised and regulated by the Securities and Futures Commissions (**SFC**) under SFC License Number APY534. The Sub-Investment Manager is licensed with the SFC for the purpose of advising on securities and asset management.

In addition, the Investment Manager has appointed Simon Murray & Co (Cayman) Limited with registered office at Windward 1, Regatta Office Park, West Bay Road, Grand Cayman, Cayman Islands, British West Indies as investment adviser of the Sub-Fund (the **Investment Adviser**).

The aggregate amount of fees (to the exclusion of the Performance Fee) payable out of the assets of the Sub-Fund to the Investment Manager, the Sub-Investment Manager and the Investment Adviser is disclosed in respect of each Class (if any) in Section 4 of this Special Section as the **Global Management Fee**. The Global Management Fee is based on the average value of the Net Asset Value of the Sub-Fund over the relevant period and is payable quarterly in arrears.

In addition to the Global Management Fee as set out under Section 4 of this Special Section, the Sub-Fund will pay out of its assets a Performance Fee in respect of Class A and B. The Performance fee will be equivalent to 10% (ten per cent) of the increase per annum in the Net Asset Value per Share multiplied by the number of Shares outstanding, in respect of each quarter (a **Performance Period**), subject to a high water mark.

In respect of Class X, the Performance Fee will be determined by the Board on application.

The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

The high water mark is the greater of:

- (i) the highest Net Asset Value per Share at the end of a Performance Period on which a Performance Fee has been paid; and
- (ii) the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Investment Manager and/or the Sub-Investment Manager and/or the Investment Adviser at the end of the relevant Performance Period.

The Performance Fee is payable quarterly in arrears in respect of each Performance Period. The first Performance Period will be from the date of commencement of business of the Sub-Fund until the end of the first calendar quarter following the launch of the Sub-Fund.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Global Management Fee and the Performance Fee will be paid out of the assets of the Sub-Fund to the Investment Manager, the Sub-Investment Manager and the Investment Adviser on the basis of allocation rules as agreed from time to time in writing between the Investment Manager, the Sub-Investment Manager and the Investment Adviser.

The Investment Manager may instruct from time to time in writing the Company to pay out all or part of the Global Management Fee or the Performance Fee directly to Distributors.

10. RISK MANAGEMENT

The Sub-Fund will use the commitment approach to monitor its global exposure.

11. PROFILE OF THE TYPICAL INVESTOR

This is an equity sub-fund investing primarily in a portfolio of companies whose activities or listing are in the Greater China region. This Sub-Fund uses an investment process which is based on an overlay of top-down and bottom-up analysis of companies and the Sub-Fund invests across the market capitalisation spectrum.

The Sub-Fund may, therefore, be suitable for investors with a three to five year investment horizon looking for a specialised equity strategy to complement an existing core portfolio.

Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

12. SPECIFIC RISK FACTORS

The risk factors applicable to the Sub-Fund are set out in Section 8 of the General Section. Shareholders should also be aware of the additional risk factors associated with investment in China and/or Hong Kong. These risk factors are summarised below.

12.1 Investments in China

PRC Political, Economic and Social Risks

Any political changes, social instability and adverse diplomatic developments which may take place in or in relation to the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation. Shareholders should also note that any change in the policies of the government and relevant authorities of the PRC may adversely impact the securities markets in the PRC as well as the performance of the Sub-Fund.

PRC Economic Risks

The economy in the PRC has experienced significant and rapid growth in the recent years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the PRC economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth of the PRC economy. Furthermore, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on Chinese companies and therefore on the performance of the Sub-fund.

Legal System of the PRC

The legal system of the PRC is based on written laws and regulations. However, because many of these laws and regulations, especially those that affect the securities market, are relatively new and evolving, the enforceability of such laws and regulations is uncertain. Such regulations also empower the China Securities Regulatory Commission (**CSRC**) and the State Administration of Foreign Exchange (**SAFE**) to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application. In addition, as the PRC legal system develops, there can be no assurance that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the business operations of PRC companies in which the Sub-Fund may invest.

Foreign Investment Regulations

A Shares

Under the prevailing regulations in the PRC, foreign investors can invest in China A shares, convertible bonds, corporate bonds, government bonds listed on stock exchanges of the PRC through institutions that have obtained QFII from the CSRC within a certain investment limit (**QFII Quota**), as approved by SAFE. The current QFII regulations impose strict restrictions (including rules on investment restrictions, minimum investment holding period and repatriation of principle and profits) on China A share investment.

The Company is not a QFII, but may invest into the A share market indirectly by purchasing various products offered by QFIIs in relation to their QFII licence. These include varied types of options, contract notes and over-the-counter instruments all tied to their individual QFII Quota and licence to trade in relevant securities in China.

B shares

China B shares are securities of Chinese incorporated companies that trade on either the Shanghai or Shenzhen stock exchanges. Unlike A shares, they are quoted in USD on the Shanghai stock exchange and Hong Kong dollars on the Shenzhen stock exchange. They can be traded by non-residents of the PRC and also residents of the PRC with appropriate foreign currency dealing accounts.

Government control of currency conversion and future movements in exchange rates

The Sub-Fund's exposure to investments in non-U.S. securities denominated in foreign currencies such as RMB and Hong Kong dollars may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rate between such currencies and US dollars. The conversion of RMB into USD is subject to SAFE approval and the conversion rate is based on a managed floating exchange rate system which allows the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the RMB exchange rate will not fluctuate widely against the USD or any other foreign currency in the future.

The Sub-Fund and Classes will be exposed to any fluctuation in the exchange rate between the Reference Currency of the Sub-Fund and the RMB in respect of such investments.

The Sub-Fund will also have exposure to other currencies including Hong Kong Dollars.

Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company, the Investment Manager, the Sub-Investment Manager and the Investment Adviser do not intend to systematically hedge investments denominated in another currency against the USD.

Liquidity of Investments

At various times, the markets for exchange-listed equity securities and/or other securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by a halt in trading on a particular securities exchange or exchanges. Illiquid markets may make it difficult for the Sub-Fund to get an order executed at a desired price.

Regulatory risks

Foreign investment in the primary and secondary securities markets of the PRC through which the Sub-Fund may invest is still at a nascent stage. Much of these economies' or markets' existing securities laws are ambiguous and/or have been developed to regulate direct investment by foreigners rather than portfolio investment. Securities market laws and the regulatory environment for primary and secondary market investments by foreign investors are in the early stages of development, and remain untested. The regulatory framework of the primary and secondary securities markets is still in the development stage compared to many of the world's leading securities markets, and accordingly there may be a lower level of regulatory monitoring of the activities of these primary and secondary securities markets.

Potential Market Volatility

Investors should note that the stock exchanges in the PRC on which the China A shares are traded are still at a developmental stage, and their respective market capitalisation and trading volume may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity in the China A shares markets may result in prices of securities traded on such markets fluctuating significantly, which may result in substantial changes to the price of the shares of the Sub-Fund.

Taxation

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. Any changes in tax policies may reduce the after-taxation profits of the companies in the PRC in which the Sub-Fund invest. Also, the PRC taxation regime that applies to QFIIs and the investments of the Sub-Fund held through QFIIs is uncertain. Taxation may be imposed directly on the Sub-Fund's investment through the QFII and, if so, the Net Asset Value of the Sub-Fund will be adversely affected.

Capital Gain Tax

Under current Chinese tax law, in certain instances a 10% tax may be payable on gains derived from the sale of China A shares by certain foreign investors. However, to-date, the Chinese State Administration of Taxation (SAT) has not taken action to enforce its right to collect this tax in respect of the gains on the China A shares from certain investors, and there remains a risk that the SAT may impose or enforce such tax, on a retrospective basis, on the gains on the relevant China A shares arising out of the capital gains relating to such China A shares without setting off such gains and losses arising out of other transactions on other China A shares invested by the Sub-Fund. In the event that such tax is imposed by the SAT and becomes payable by the QFII, such tax levied will be passed on to and be borne by the Sub-Fund. In order to provide for the potential liability for such tax, the QFII will withhold 10% of all realised gains earned, until such time as the QFII receives clarifying guidance although the timing of any possible clarifying guidance is unknown at this time. The actual applicable tax rates consequently imposed by the SAT may be higher or lower than 10% and may change from time to time. It is also possible that such tax will be levied and applied retrospectively. In the event that such tax is applied retrospectively, any tax liability will first be satisfied by the capital gain tax provision made which may be separately withheld in a segregated account by the QFII. If the actual tax rate is higher than 10%, and the amount separately withheld by the QFII is insufficient to cover the actual tax liabilities, the Sub-Fund may be required to bear the amount of shortfall, in which case the Net Asset Value of the Sub-Fund will be adversely affected.

Conversely, if such tax is not applied retrospectively or its rate is lower than 10%, the amount of surplus (if any) after deducting the actual tax liabilities from the amount withheld by the QFII may be returned to the Sub-Fund. It is also possible that the full amount withheld may not be required to be paid to the SAT in the event that the tax is not levied by the SAT, in which case all withheld amounts may be returned to a Sub-Fund at a future date. It may be that the shareholders in the Sub-Fund at the time of such return will be different from those shareholders in the Sub-Fund when the liability was created. The Sub-Fund will not attempt to compensate Shareholders which have redeemed for any such "refunds".

Accounting and Reporting Standards

The accounting standards and regulatory requirements of financial reporting and information disclosure in some markets in which the Sub-Fund may invest may not follow international standards as there are differences between international standards and reporting practices in such markets. These differences may lie in areas such as different valuation methods of the properties or the assets, and the requirements for disclosure of information to investors.

Therefore, the Sub-Fund may be forced to make investment decisions based on incomplete or incorrect data. If those data turn out to be incomplete or incorrect, the security in which the Sub-Fund has invested could decline in value or become valueless. Shareholders may lose all or a portion of their investment in those circumstances.

Performance of Investments

It should be appreciated that the value of shares in the Sub-Fund, and income from it (if any), is primarily based on investments in the securities of China-related companies. These investments (and hence the value of the shares of each Class) will rise or fall as a result of fluctuations in the value or performance of such underlying securities and companies.

12.2 Investment in Hong Kong

Hong Kong Political, Economic and Social Risks

The Sub-Fund will make part of its investments in Hong Kong, a special administrative region of the PRC. In accordance with the Sino-British Joint Declaration, and the underlying principle of "one country, two systems", Hong Kong has a high degree of autonomy as a special administrative region in all areas except defence and foreign affairs. The declaration states that the region can maintain its capitalist economic system and will guarantee the rights and freedoms of its people for at least 50 years after the handover to the PRC in 1997. These policies are enshrined in a constitution, the Hong Kong "Basic Law" which outlines the system of governance of the Hong Kong Special Administrative Region. Shareholders should note that political, economic, legal and social progress may be adversely affected by the PRC's sovereignty over Hong Kong and that any change could result in adversely affecting the operation and financial position of the Sub-Fund.

Currency Risk

The Hong Kong Dollar is pegged to the U.S. Dollar, the Government has indicated no plans to change this policy. If the Hong Kong Dollar was devalued as a result of a change to this policy, the Sub-Fund may be adversely affected owing to increasing the Hong Kong Dollar cost of the Sub-Fund's foreign capital expenditures.