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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2015-11-04

Commission de Surveillance du Secteur Financier



## **PIONEER FUND SOLUTIONS**

*Société d'Investissement à Capital Variable*

**A LUXEMBOURG INVESTMENT FUND**

### **PROSPECTUS**

**dated October 2015**

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## DEFINITIONS

“Agent”	Any entity appointed directly or indirectly by the Management Company for the purposes of facilitating subscriptions, conversions or redemptions of Shares in the SICAV.
“Articles”	The articles of incorporation of the SICAV, as may be amended from time to time.
“Base Currency”	The assets and liabilities of a Sub-Fund are valued in its Base Currency and the financial statements of the Sub-Funds are expressed in the Base Currency.
“Board”, “Board of Directors”, “Directors”	The members of the board of directors of the SICAV for the time or being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.
“Business Day”	Business Day shall mean a full day on which banks and the stock exchange are open for business in Luxembourg City.
“Emerging Markets”	countries generally considered to be a country defined as an emerging or developing economy by the World Bank or its related organizations or the United Nations or its authorities or those countries represented in the MSCI Emerging Markets Index or other comparable index.
“EU”	European Union.
“Group of Companies”	companies belonging to the same body of undertakings and which draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983, as amended from time to time, on consolidated accounts and according to recognized international accounting rules.
“Instruments”	shall have the meaning ascribed to financial instruments in Section C Annex I of Directive 2004/39/EC on markets in financial instruments. Equity-linked instruments and debt-related instruments may include options, warrants, futures, swaps, forwards, any other derivative contracts and structured products and contracts for differences. Commodity-linked instruments and real estate-based financial instruments may include certificates, notes, investments through financial derivative instruments on commodities/real estate indices as well as units of investment funds within the limits set forth in Section “Investment Restrictions”. For the purpose of the investment policies of the Sub-Funds, the term “equity-linked instruments” and, unless specified otherwise in the investment policies of the Sub-Funds, the term “debt-related instruments” shall not include convertible bonds and bonds with warrants attached. Where the investment policies of the Sub-Funds specify investment limits direct investments and indirect investments by way of related Instruments shall be considered on a consolidated basis.
“Investment Grade”	an Investment Grade debt or debt-related instrument has a Standard & Poor’s rating which is equal to or higher than BBB- or the equivalent rating by any

other internationally recognised statistical rating organisation or, if unrated, is deemed to be of comparable quality by the Management Company.

- “Law of 17 December 2010” the law of 17 December 2010 on undertakings for collective investment.
- “Management Company” Pioneer Asset Management S.A.
- “Member State” a member State of the EU.
- “Money Market Instruments” Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
- “Net Asset Value” the Net Asset Value per Share as determined for each class shall be expressed in the Pricing Currency of the relevant class and shall be calculated by dividing the Net Asset Value of the Sub-Fund attributable to the relevant class of Shares which is equal to (i) the value of the assets attributable to such class and the income thereon, less (ii) the liabilities attributable to such class and any provisions deemed prudent or necessary, through the total number of Shares of such class outstanding on the relevant Valuation Day.
- “Other Regulated Market” market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a State or by a public authority which has been delegated by that State or by another entity which is recognized by that State or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public.
- “Other State” any country which is not a Member State.
- “Pricing Currency” the currency in which the Shares in a particular class within a Sub-Fund are issued.
- “Regulated Market” a regulated market as defined in paragraph 14 of Article 4 of the Parliament and Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments as amended (“Directive 2004/39/EC”) A list of regulated markets is available from the European Commission or at the following internet address:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:348:0009:0015:EN:PDF>.
- “Regulatory Authority” the Commission de Surveillance du Secteur Financier, being the Luxembourg authority in charge of the supervision of the UCI in the Grand Duchy of Luxembourg (or any successor body).
- “Share” or “Shares” shares of any Class in the SICAV.

“Shareholder”	a holder of Shares in the SICAV.
“SICAV”	Pioneer Fund Solutions.
“Sub-Fund”	means a sub-fund of the SICAV.
“Transferable Securities”	<ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares;</li> <li>- bonds and other debt instruments;</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange with the exclusion of techniques and Instruments.</li> </ul>
“UCI”	undertaking for collective investment.
“UCITS”	undertaking for collective investment in Transferable Securities governed by the UCITS Directive.
“UCITS Directive”	European Parliament and Council Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as may be amended from time to time.
“U.S.A.”, “U.S.” or “United States of America”	the United States of America.

## **IMPORTANT INFORMATION**

This prospectus (the “Prospectus”) contains information about that a prospective investor should consider before investing in the SICAV and should be retained for future reference. If you are in any doubt about the contents of this Prospectus you should consult your financial adviser.

The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are, at the date of this Prospectus, true and accurate in all material respects and no material facts are omitted which would make such information misleading. The Directors accept responsibility accordingly.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction where such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer in such jurisdiction. The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors, may be restricted or prohibited by law. Investors should note that some or all Sub-Funds and/or Classes of Shares may not be available to investors. Investors should request their financial adviser to provide them information about which Sub-Funds and/or Classes of Shares are offered in their country of residence.

Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their residence and domicile for the acquisition, holding or disposal of Shares and any foreign exchange restrictions that may be relevant to them.

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and the Articles in connection with the offer of Shares, and, if given or made, such information or representation must not be relied upon as having been authorised by the SICAV or the Registrar and Transfer Agent.

The Shares represent undivided interests solely in the assets of the SICAV. They do not represent interests in or obligations of, and are not guaranteed by any government, the Depositary, the Management Company (as defined hereinafter) or any other person or entity.

The SICAV, in its sole discretion and in accordance with the applicable provisions of the Prospectus, the Articles and any applicable law, may refuse to register any transfer in the register of Shareholders or may compulsorily redeem any Shares acquired in contravention of the provisions of the Prospectus, the Articles or any applicable law.

The SICAV, Management Company and its service providers and Agents may use telephone recording procedures to record, inter alia, transactions, orders or instructions. By giving instructions or orders by telephone, the counterparty to such transactions is deemed to consent to the tape recording of conversations between the counterparty and the, SICAV, Management Company or its appointed service providers or Agents and to the use of any tape recordings by the SICAV, Management Company, its service providers or Agents in legal proceedings or otherwise at their discretion.

The SICAV draws the investors’ attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, notably the right to participate in general Shareholders’ meetings, if the investor is registered himself and in his own name in the Shareholders’ register of the SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in 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 SICAV. Investors are advised to take advice on their rights.

This Prospectus and any supplement may be translated into other languages. Any translation shall contain the same information and have the same meaning as the English language Prospectus and supplements. To the extent that there is any inconsistency between the English language Prospectus or supplement and the Prospectus or supplement in another language, the English language Prospectus or supplement will prevail. Any further country specific information which is required as part of the offering documents in a particular country will be provided in accordance with laws and regulations of that country.

### **Data Protection**

By subscribing for Shares of the SICAV, the investor expressly authorises the Management Company to collect on an ongoing basis, store and process certain information concerning the investor, such as identification, address and amount of the investment and any other data relating to the investor's transactions in the SICAV (the "Personal Data") by electronic or other means. The Management Company reserves the right to delegate the processing of this Personal Data to delegates or Agents located in countries outside Luxembourg (together the "Processor(s)"). Processors may in particular be any entity belonging to the Société Générale group of companies (including Société Générale Global Solution Centre Pvt. Ltd in India) for the purposes of performing and developing the business relationship, performing any operational support task in relation to investor transactions, as well as for the purposes of fulfilling anti-money laundering and counter-terrorist financing obligations and avoiding investment fraud. Personal Data may in particular be required for tax purposes. Personal Data may be shared as required by applicable law or regulation (Luxembourg or otherwise), in particular with Luxembourg authorities which may exchange that information with other national authorities, including tax authorities.

The investor may refuse to communicate Personal Data to the Management Company, however, this may prevent processing of transactions in the Shares.

Personal Data is required to enable the Management Company to provide the services requested by the investor and to comply with its legal obligations.

The Management Company undertakes not to transfer the investor's Personal Data to third parties other than Processors except as required by law or with the prior consent of the investor. The investor has the right to oppose to the use of Personal Data for marketing purposes.

The investor has a right of access to Personal Data and to its rectification where it is inaccurate and incomplete. The investor may exercise these rights by contacting the Management Company.

Unless otherwise required for legal reasons, investor-related Personal Data will not be retained for longer than the time required for processing purposes, in principle during the duration of the business relationship between the investor and the SICAV and for one year thereafter unless otherwise required by law.

### **Reporting**

Audited annual reports and unaudited semi-annual reports will be mailed free of charge by the Management Company to the Shareholders upon request and will be available at the registered office of the SICAV, Management Company/Distributor or Agents (if any) as well as at the offices of the information agents of the SICAV in any country where the SICAV is marketed.

The accounting year of the SICAV shall start on the 1<sup>st</sup> of January of each year and shall end on the 31<sup>st</sup> of December of the same year. The combined accounts of the SICAV are maintained in euro.

Any other financial information concerning the SICAV or the Management Company, including the periodic calculation of the Net Asset Value per Share, the issue, conversion and the redemption prices will be made available at the registered office of the SICAV or its Agents (if any) and the local information agents where the SICAV is registered for sale. Any other substantial information concerning the SICAV

may be published in such newspaper(s) or notified to Shareholders in such manner as may be specified from time to time by the SICAV.

**INVESTING IN THE SICAV INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL. INVESTORS ARE ADVISED TO READ THE PROSPECTUS CAREFULLY, IN PARTICULAR THE SPECIAL RISK CONSIDERATIONS SET OUT IN APPENDIX III.**

**Key investor information documents providing appropriate information about the essential characteristics of an UCITS are required to be provided to investors in good time before their proposed subscription for shares or units in the UCITS.**

Copies of this Prospectus as well as key investor information documents may be obtained from:  
Pioneer Asset Management S.A.  
8-10, rue Jean Monnet  
L-2180 Luxembourg

Also available from:

- Société Générale Bank & Trust, the Depository and Paying Agent, the Administrator and the Registrar and Transfer Agent;
- the local information agents in each jurisdiction where the SICAV is marketed.

Queries and Complaints

Any person who would like to receive further information regarding the Company or wishes to make a complaint about the operation of the SICAV should contact the compliance officer, Pioneer Asset Management S.A., 8-10, rue Jean Monnet, L-2180 Luxembourg.

## **ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM**

### **Regulatory Status**

The SICAV is a “recognised scheme” for the purposes of Section 264 of the Financial Services and Markets Act 2000 (the “FSMA”) of the United Kingdom (“UK”) and can be promoted and sold direct to the public in the United Kingdom subject to compliance with the FSMA and applicable regulations made thereunder. Subject to that, the SICAV is open for investment by any resident of the United Kingdom.

Potential investors in the UK should be aware that none of the protections afforded by the UK regulatory system will apply to an investment in the SICAV and that compensation will not be available under the UK Financial Services Compensation Scheme.

### **UK Facilities**

It is intended that Class N (and such other Share Classes as the Management Company may from time to time decide) will be publicly offered for sale in the UK.

The SICAV maintains in the UK the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook published by the UK Financial Services Authority as part of its Handbook of Rules and Guidance.

The facilities are located at the offices of the UK paying agent: SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES CUSTODY LONDON, whose principal place of business is at 5 Devonshire Square, Cutlers Gardens, London EC2M 4YD. At these facilities any person may:

1. inspect (free of charge) a copy (in English) of:
  - a. the Articles of Incorporation of the SICAV (and any amendments to them);
  - b. the latest version of the Prospectus;
  - c. the latest version of the Key Investor Information Document(s);
  - d. the latest annual and half-yearly reports most recently prepared and published by the SICAV;
2. obtain a copy of any of the above documents (free of charge);
3. obtain information (in English) about the prices of shares in the SICAV; and
4. make a complaint about the operation of the SICAV.

Any investor may redeem or arrange for the redemption of shares in the SICAV at the above address.

### **UK investment adviser charges**

Adviser charging will apply to firms advising retail clients in the UK on retail investment products, pursuant to Rule 6 of the FCA’s conduct of business rules (“COBS”). Non-advised services, or execution-only sales, where no advice or recommendation is given, will fall outside the adviser charging regime.

A firm providing personal recommendations and any related services (e.g. arranging the transaction) on retail investment products may only be paid by adviser charges and must not solicit or accept any other commission, remuneration or benefit of any kind, regardless of whether it intends to pass it on to the client.

Product providers, such as the Management Company, in the case of Pioneer Fund Solutions, may offer to facilitate the payment of adviser charges from the investor's investment.

Advisers are required to disclose their charging structure to clients in writing in good time before any advice, recommendation or related services are given. A firm may use the services and costs disclosure statement (SCDD) (in COBS 6 Annex 1) or combined initial disclosure statement (CIDD) (in COBS 6 Annex 2) to disclose the required information about its charging structure.

The total adviser charge payable to the adviser or any of its associates must be agreed with and disclosed to the client as soon as practicable. The document disclosing the charge is required to be clear and concise in order to help clients understand the services to be provided and understand the cost and value of advice. Adviser's clients will be provided with a notification of any material difference between the standard charging structure initially notified to the client and the total adviser charge payable.

If payment is to be taken from the investor's investment, then, the product provider must obtain clear instructions from the investor about the amount to be deducted. The payment facility it offers must also be sufficiently flexible so as not to constrain advisers in the charges they can make. In the case of platforms, the adviser charges may be deducted from the customer's cash account held on the platform. Platform operators will be subject to the same rules as product providers when they facilitate payment in this way. Where the Management Company has agreed to facilitate payment of adviser charges it will agree the amount to be deducted with the investor.

Under the FCA rules a client has the right to cancel a product within 14 or 30 days (depending on the type of product, please see the FCA's conduct of business rules for guidance) of concluding the contract or receiving the contractual terms and conditions, whichever is later. Where the Management Company has agreed to facilitate payment of adviser charges and the investor then cancels, the Management Company may choose whether to pay the refund net or gross of the adviser charge.

## **UK Taxation**

### ***The SICAV***

The Directors intend that the affairs of the SICAV should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the SICAV does not carry on a trade in the UK through a permanent establishment situated in the UK for UK taxation purposes, the SICAV will not be subject to UK corporation tax on income and capital gains arising to it (other than withholding taxes (if any) on income arising to the SICAV from a UK source).

The Directors and the Management Company each intend that the respective affairs of the SICAV and the Management Company are conducted in such a way so that no such permanent establishment will arise insofar as this is within their respective control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment coming into being will at all times be satisfied.

Interest and certain other income received by the SICAV which has a UK source may be subject to withholding taxes (which may not be reclaimable) in the UK.

Interests in the Sub-Funds of the SICAV will be made widely available to retail and institutional investors who are able to meet the minimum investment criteria, and the Sub-Funds will be marketed accordingly.

## *Investors*

Subject to their personal circumstances, investors resident in the UK for taxation purposes will be liable to UK income tax or corporation tax on dividends paid or other distributions of income made by the SICAV whether or not such distributions are reinvested in the SICAV.

No credit will be available against an investor's UK tax liability in respect of income distributions of the SICAV for any taxes suffered or paid by the SICAV on its own income, (except in the case of an investor which is a company resident in the UK (or not resident but carrying on a business in the UK through a permanent establishment) owning directly or indirectly not less than 10 per cent. of the voting share capital of the SICAV).

Certain classes of overseas dividend distributions received by UK corporate shareholders are exempt from tax. The exemption will not be available where it is used for tax avoidance purposes.

## *Offshore Funds Regime*

For each of the N Share Classes in all Sub-Funds of the SICAV, the Management Company intends to seek certification as a "reporting fund" under the Offshore Funds (Tax) Regulations 2009 for the purposes of taxation in the UK. The affairs of the Sub-Funds will be conducted so as to maintain this status. The Management Company may from time to time seek certification for additional Share Classes as reporting funds.

In order to obtain certification as a reporting fund, the "reportable income" of the relevant Share Class for each period of account must be reported to its investors and to HM Revenue & Customs ("HMRC"). Investors will be liable to tax on their proportionate share of the "reportable income" of the SICAV, whether or not that income is in fact distributed to them.

The effect of certification as a reporting fund is that any gains arising to investors resident or ordinarily resident in the UK on a sale, redemption or other disposal of the relevant Shares should be taxed as capital gains and not as income.

There can be no guarantee or assurance that certification as a reporting fund will be obtained, or that the law and regulations governing reporting fund status, or the interpretation of them, will remain the same. Investors should seek their own specialist advice in relation to how (if at all) these rules will affect them.

## *Individual investors: Transfer of assets abroad*

The attention of individual investors resident or ordinarily resident in the UK is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007 ("ITA") pursuant to which income accruing to the SICAV could be attributed to such individuals making them liable to taxation in respect of undistributed income and profits of the SICAV.

Due to the SICAV's intended income distribution policy in relation to Distributing Shares it is not anticipated those provisions of ITA will apply to investors holding such shares. However, the ITA could apply to investors holding other Shares in the SICAV.

In addition, those provisions of ITA will not apply if any relevant investor can satisfy HMRC that either:

- (i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or
- (ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

#### *Corporate investors: Loan Relationships*

Chapter 3 of Part 5 and 6 of the Corporation Tax Act 2009 (“CTA 2009”) provides that, if at any time in an accounting period a corporate investor within the charge to UK corporation tax holds a relevant interest in an “offshore fund” within the meaning of the relevant provisions of the Taxation (International and Other Provisions) Act 2010 (“TIOPA 2010”), and there is a time in that period when that fund fails to satisfy the “non-qualifying investment test”, the relevant interest held by such corporate investor will be treated for the accounting period as if it were rights under a ‘creditor relationship’ for the purposes of the rules relating to the taxation of most corporate debt now contained in CTA 2009 (the “Corporate Debt Regime”).

A holding of Shares in the SICAV will constitute a relevant interest in an offshore fund. In circumstances where the non-qualifying investment test is not satisfied (for example, where the SICAV invests in debt instruments, securities, cash or derivative contracts and the market value of such investments exceeds 60 per cent. of the market value of all its investments) the Shares will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, all returns on the relevant Shares in respect of each corporate investor’s accounting period during which the test is not met (including gains, profits and deficits and exchange gains and losses) will be taxed or relieved as an income receipt or expense calculated on a fair value basis of accounting. Accordingly, a corporate investor may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

The provisions relating to holdings in controlled foreign companies (outlined below) would not then apply to such investors.

#### *Corporate investors: Controlled Foreign Companies*

Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988 subjects UK resident companies to tax on the profits of companies not so resident in which they have an interest. The provisions affect UK resident companies which broadly hold either alone or together with certain other associated persons a right to at least 25 per cent. of the profits of a non-resident company which is controlled by persons who are resident in the UK and is subject to a lower level of taxation in its territory of residence. The legislation provides for certain exceptions. UK resident companies holding a right to 25 per cent or more of the profits of the SICAV (directly or indirectly) should seek their own specific professional taxation advice in relation to whether and how these rules might affect their proposed investment in the SICAV. The legislation is not directed towards the taxation of capital gains.

#### *Anti-avoidance: General*

The attention of persons resident or ordinarily resident in the UK for taxation purposes (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 (“Section 13”). Section 13 applies to a “participator” for UK taxation purposes (which term includes an investor) if at the same time: (i) a gain accrues to the SICAV which constitutes a chargeable gain for those purposes; and (ii) the SICAV is itself controlled by a

sufficiently small number of persons so as to render the SICAV a body corporate that would, were it to have been resident in the UK for taxation purposes, be a “close” company for those purposes.

The provisions of Section 13 could, if applied, result in any such person who is a “participator” in the SICAV being treated for the purposes of UK taxation of chargeable gains as if a part of any chargeable gain accruing to the SICAV had accrued to that person directly, that part being equal to the proportion of the gain that corresponds on a just and reasonable basis to that person’s proportionate interest in the SICAV as a “participator”. No liability under Section 13 could be incurred by such a person however, where such proportion does not exceed one-tenth of the gain. The charge is also extended to UK resident or ordinarily resident individuals who are domiciled outside the UK in respect of gains relating to assets of the SICAV situated in the UK and in respect of gains relating to non-UK situs assets if such gains are remitted to the UK.

#### *EU Savings Directive*

Dividends and other distributions made by the SICAV, together with the payment of the proceeds of sale and/or redemption of Shares in the SICAV, may (depending on the investment portfolio of the SICAV and the location of the paying agent) be subject to the exchange of information regime or withholding tax imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments. If a payment is made to an investor who is an individual resident in a Member State of the European Union (or a “residual entity” established in a Member State) by a paying agent resident in another Member State (or in certain circumstances the same Member State of the investor) then the Directive may apply. Applicants for Shares in the SICAV will, therefore, be requested to provide certain information as required under the Directive. It should be noted that the imposition of exchange of information and/or withholding tax on payments made to certain individuals and residual entities resident in an EU Member State also applies to those resident or located in any of the following jurisdictions: Anguilla, Aruba, British Virgin Islands, the Cayman Islands, Guernsey, the Isle of Man, Jersey, Montserrat, the former Netherlands Antilles and the Turks and Caicos Islands.

**The summary given in this section is for information purposes only. It is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares. The tax consequences applicable to investors may vary depending on their particular circumstances. It is the responsibility of all prospective investors to inform themselves as to the tax consequences and any foreign exchange or other fiscal or legal restrictions, which may be relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares. The above is a brief summary of certain aspects of UK taxation law and practice relevant to the transactions contemplated in the Prospectus. While it is based on the law and practice and official interpretation currently in effect, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretation given or that changes in such law and practice will not occur.**

## **THE SICAV**

### **Structure**

**Pioneer Fund Solutions** is an open-ended investment company incorporated under the laws of Luxembourg as a *Société d'Investissement à Capital Variable* (“SICAV”) in accordance with the provisions of Part I of the Law of 17 December 2010. The SICAV was incorporated for an unlimited period on 24 October 2014. The Articles have been published in the Mémorial C on 12 November 2014. The SICAV is registered with the Luxembourg Trade and Companies Register under number B-191464.

The SICAV’s initial capital is of thirty one thousand Euro (EUR 31,000.-) divided into three hundred and ten (310) Shares of no par value. The SICAV’s capital is represented by fully paid up Shares of no par value. At all times the SICAV’s capital will be equal to the Net Asset Value of the SICAV and will not fall below the minimum capital required by Luxembourg law.

The SICAV has appointed Pioneer Asset Management S.A. (the “Management Company”) as its management company, within the meaning of Part I of the Law of 17 December 2010. Further details on the Management Company are provided below under the section “Management Company”. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative, marketing and distribution services to the SICAV.

The Board of Directors, of which further information may be found below, is responsible for the overall management and control of the SICAV in accordance with the Articles. The Board of Directors is further responsible for the implementation of the investment objective and policies of the SICAV as well as for oversight of the administration and operations of the SICAV.

The members of the Board of Directors will receive periodic reports from the Management Company and/or the Administrator detailing the performance and analysing the investment portfolio of the SICAV.

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the SICAV, subject to the powers reserved by law to the Shareholders.

### **Investment Objective**

The Board of Directors shall have power to determine the corporate and investment objective and policy of the SICAV, and the course of conduct of the management and business affairs of the SICAV.

The overall objective of the SICAV is to provide investors with a broad participation in the main asset classes in each of the main capital markets of the world through a set of Sub-Funds.

These Sub-Funds may be divided into one or several main groups. For the time being only Multi-Asset Sub-Funds are available.

Investors have the opportunity to invest in one or more Sub-Funds and thus determine their own preferred exposure on a region by region and/or asset class by asset class basis.

### **Sub-Funds**

As indicated above the SICAV comprises a number of Sub-Funds. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. This “umbrella” structure enables investors to choose between one or more investment

objectives by investing in the various Sub-Fund(s). Investors may choose which Sub-Fund(s) are most appropriate for their specific risk and return expectations as well as their diversification needs.

Each Sub-Fund corresponds to a distinct part of the assets and liabilities of the SICAV. For the purposes of the relations as between Shareholders, each Sub-Fund is deemed to be a separate entity. The rights of Shareholders and creditors in respect of a Sub-Fund which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund.

The Base Currency of the Sub-Funds is euro.

## **Shares**

The Directors may decide to create Shares of different classes (individually a “Class” and collectively the “Classes”) in each Sub-Fund. Within each Sub-Fund the assets of each Class are commonly invested according to the investment policy of the Sub-Fund and investors may choose from alternative Class features most suited to their individual circumstances, according to the amount subscribed, the length of time they expect to hold their Shares, and other personal investment criteria.

Shares of the various Classes within the Sub-Funds may be issued, redeemed and converted at prices calculated on the basis of the Net Asset Value per Share of the relevant Class of a Sub-Fund.

The Directors have authorised the issue of Class A, B, C, D, E, F, H, I, J, N, S and X Shares in some or all Sub-Funds of the SICAV as well as the issue of Distributing and Non-Distributing Shares of particular Classes.

Shares may be made available in euro, GBP or U.S. dollars or such other freely convertible currency as may be decided by the Directors.

Information as to the availability of Classes in each country where the Shares of the SICAV are registered for sale may be obtained from the local information agents.

The Directors may decide to make an application to list the Shares of any Class of Sub-Fund on any recognised stock exchange.

## **Creation of additional Sub-Funds/Shares**

The Directors may, at any time, resolve to create additional Sub-Funds with investment objectives different from the existing Sub-Funds and additional Classes of Shares with features different from existing Classes. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated or supplemented and a key investor information document will be issued. The Directors may also resolve to close a Sub-Fund or one or more classes of Shares within a Sub-Fund to further subscriptions at any time.

## **Pricing, Base and Reference Currency**

The Shares in any Sub-Fund shall be issued in such currency as may be determined by the Directors. The currency in which the Shares in a particular class within a Sub-Fund are issued being the “Pricing Currency”.

The assets and liabilities of each Sub-Fund are valued in its Base Currency.

The combined accounts of the SICAV will be maintained in the reference currency of the SICAV (the “Reference Currency”).

### **Asset Structure/Pooling of Assets**

For the purpose of effective management, where the investment policies of the Sub-Funds so permit, the Directors may choose to co-manage assets of certain Sub-Funds.

In such case, assets of different Sub-Funds will be managed in common. Assets which are co-managed shall be referred to as a “pool” notwithstanding the fact that such pools are used solely for internal management purposes. The pools do not constitute separate entities and are not directly accessible to investors. Each of the co-managed Sub-Funds shall be allocated its specific assets.

Where the assets of more than one Sub-Fund are pooled, the assets attributable to each participating Sub-Fund will be determined by reference to its initial allocation of assets to that pool and will change in the event of additional allocations or withdrawals.

The entitlements of each participating Sub-Fund to the co-managed assets apply to each and every line of investments of the pool.

Additional investments made on behalf of the co-managed Sub-Funds shall be allotted to those Sub-Funds in accordance with their respective entitlements, whereas assets sold shall be levied similarly on the assets attributable to each participating Sub-Fund.

### **Conflicts of Interest**

The Directors, the Management Company, the Depositary and the Administrator and/or their respective affiliates or any person connected with them (together the “Relevant Parties”) may from time to time act as directors, investment manager, manager, distributor, trustee, custodian, depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the SICAV or which may invest in the SICAV. It is, therefore, possible that any of them may, in the course of business, have actual or potential conflicts of interest with the SICAV. The Board of Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the SICAV and will endeavour to ensure that such conflicts are resolved timely and fairly. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the SICAV, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm’s length basis. Any Relevant Party may deal with the SICAV as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Management Company Agreement, the Administration Agreement and/or the Depositary Agreement, where and to the extent applicable.

In calculating the SICAV’s Net Asset Value, the Administrator may consult with the Management Company with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Management Company in determining the Net Asset Value of the SICAV and the entitlement of the Management Company to a management fee which is calculated on the basis of the Net Asset Value of the SICAV.

The Management Company or any of its affiliates or any person connected with the Management Company may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the SICAV. The Management Company has established

and implemented a conflicts of interest policy that contains appropriate measures to mitigate such conflicts of interests.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the SICAV. The Directors will seek to ensure that any conflict of interest of which they are aware is resolved in a fair and timely manner.

## **THE SUB-FUNDS**

### **OVERVIEW**

#### **Multi-Asset Sub-Funds**

1. Conservative
2. Balanced
3. Diversified Growth
4. Diversified Income
5. Diversified Alpha

#### **Investment Policies**

The assets of each Sub-Fund will be invested mainly in Transferable Securities and Money Market Instruments. The Sub-Funds are further authorised to invest in other permitted financial liquid assets in accordance with the authorised investments set out in section “Investment Restrictions”. The Sub-Funds will also be authorised, within the limits set forth in section “Investment Restrictions” and taking into account the exposure relating to derivatives referred to therein, to achieve their objective through investment in financial derivative instruments or use of certain techniques and Instruments for hedging and/or for other purposes to the fullest extent permitted in section “Investment Restrictions” including options, forward foreign exchange contracts, futures, including international equity and bond indices and/or swaps (such as credit default swaps, credit default swap indices, currency swaps, inflation linked swaps, interest rate swaps, swaptions and equity/total return swaps) on Transferable Securities and/or any financial Instruments and currencies.

Each Sub-Fund may invest in warrants on Transferable Securities and may hold cash within the limits set forth in section “Investment Restrictions”.

Each Sub-Fund may invest in volatility futures and options as well as in exchange-traded funds. However, such investments may not cause the Sub-Funds to diverge from their investment objectives.

Volatility futures refer to the volatility implied in option pricing and the main rationale for investing in such futures is that the volatility can be viewed as an asset class on its own. Each Sub-Fund will only invest in volatility futures traded on regulated markets and the stock indices underlying the volatility indices will comply with article 44(1) of the Law of 17 December 2010.

Where it is expressly provided for in the investment objective of a Sub-Fund, that Sub-Fund may act as a feeder fund (the “Feeder”) of another UCITS or of a compartment of such UCITS (the “Master”), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. In such a case the Feeder shall invest at least 85% of its assets in shares/units of the Master.

The Feeder may not invest more than 15% of its assets in one or more of the following:

- a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the Law of 17 December 2010;
- b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the Law of 17 December 2010.

## **Risk Management**

A Sub-Fund is required to use a risk management process to monitor and measure at all times the risks associated with its Sub-Fund's investments and their contribution to the overall risk profile of the relevant Sub-Fund.

In accordance with the requirements of the Regulatory Authority, this risk-management process will measure the global exposure of each Sub-Fund with the Value at Risk ("**VaR**") approach.

### Value-at-Risk

In financial mathematics and risk management, the VaR approach is a widely used risk measurement of the maximum potential loss for a specific portfolio of assets, due to market risk. More specifically, the VaR approach measures the maximum potential loss of such a portfolio at a given confidence level (or probability) over a specific time period under normal market conditions. Absolute VaR or relative VaR may be applied as disclosed in Appendix IV below.

Absolute VaR links the VaR of the portfolio of a Sub-Fund with its Net Asset Value. The absolute VaR of any Sub-Fund shall not exceed 20% of the Sub-Fund's Net Asset Value (determined on the basis of a 99% confidence interval and a holding period of 20 business days). As the Sub-Fund uses the VaR approach to measure risk exposure it is required to disclose expected levels of leverage to investors.

Relative VaR links the VaR of the portfolio of a Sub-Fund with the VaR of a reference portfolio. The relative VaR of the Sub-Fund shall not exceed twice the VaR of its reference portfolio. The reference portfolio used by each Sub-Fund is set out in the Appendix IV.

### Leverage

Although UCITS funds may not borrow to finance investments, they may use financial derivative instruments to gain additional market exposure in excess of their net asset value. This is known as leverage.

The use of financial derivative instruments may result in a Sub-Fund being leveraged. Leverage is monitored on a regular basis. The leverage for each Sub-Fund is not expected to exceed the levels set out in Appendix IV. Gross leverage is measured as the sum of the notionals of the financial derivative instruments used. In this context, the leverage is measured as a percentage in excess of each Sub-Fund's Net Asset Value. Under certain circumstances (e.g. very low market volatility) the leverage may exceed the levels referred to in Appendix IV.

Further risk considerations for the SICAV and each Sub-Fund are set out in Appendix III.

## **Investment Objectives and Investor Profiles**

### **Multi-Asset Sub-Funds – Investor Profiles**

#### **Conservative, Balanced, Diversified Growth:**

The above Sub-Funds are suitable for individual investors wishing to participate in capital markets. These Sub-Funds may be most appropriate for investors with a medium to long term investment horizon, as losses may occur due to market fluctuations. These Sub-Funds may be suitable as a core position in a portfolio.

#### **Diversified Income:**

This Sub-Fund is suitable for individual investors wishing to participate in capital markets and who have a need for income. The Sub-Fund may be most appropriate for investors with a medium to long term investment horizon, as losses may occur due to market fluctuations. The Sub-Fund may be suitable as a core position in a portfolio.

#### **Diversified Alpha:**

This Sub-Fund is suitable for individual investors wishing to participate in capital markets and who have a need for growth with low to medium volatility. The Sub-Fund may be most appropriate for investors with a medium investment horizon. The Sub-Fund may be suitable as a core position in a portfolio.

## **Investment Objectives**

### **1. Pioneer Fund Solutions – Conservative (herein referred to as the “Conservative”)**

This Sub-Fund seeks to achieve capital appreciation and income over the medium to long term by investing in a diversified portfolio of the permissible instruments described below.

The Sub-Fund invests primarily in open-ended UCIs and UCITS pursuing a diverse range of investment strategies. The Sub-Fund may also invest in equities and equity linked instruments, Money-Market Instruments, debt and debt-related instruments (including convertible bonds and bonds cum warrants), deposits subject to call with a maximum term of 12 months, and interest-rate certificates.

The Sub-Fund may invest up to 35% of its assets in equities (either directly or indirectly through open-ended UCITS or UCI). The Sub-Fund may seek exposure to commodities and real estate through investment in eligible transferable securities, indices and other liquid financial assets (either directly or indirectly through open-ended UCITS or UCI). The Sub-Fund may invest up to 20% of its assets in eligible commodity-index certificates. The Sub-Fund may also invest in UCITS or UCIs following alternative strategies.

### **2. Pioneer Fund Solutions – Balanced (herein referred to as the “Balanced”)**

This Sub-Fund seeks to achieve capital appreciation and income over the medium to long term by investing in a diversified portfolio of the permissible instruments described below.

The Sub-Fund invests primarily in open-ended UCIs and UCITS pursuing a diverse range of investment strategies. The Sub-Fund may also invest in equities and equity linked instruments, Money-Market Instruments, debt and debt-related instruments (including convertible bonds and bonds cum warrants), deposits subject to call with a maximum term of 12 months, and interest-rate certificates.

The Sub-Fund may invest up to 65% of its assets in equities (either directly or indirectly through open-ended UCITS or UCI). The Sub-Fund may seek exposure to commodities and real estate through

investment in eligible transferable securities, indices and other liquid financial assets (either directly or indirectly through open-ended UCITS or UCI). The Sub-Fund may invest up to 20% of its assets in eligible commodity-index certificates. The Sub-Fund may also invest in UCITS or UCIs following alternative strategies.

### **3. Pioneer Fund Solutions – Diversified Growth (herein referred to as the “Diversified Growth”)**

This Sub-Fund seeks to achieve capital appreciation over the medium to long-term by investing in a diversified portfolio of the permissible instruments described below. This Sub-Fund aims to achieve equity-like returns but with reduced volatility over the longer term.

The Sub-Fund is characterised by an actively managed allocation across a broad and diversified range of asset classes and managers, with an investment framework focusing on assets and manager selection which seek to generate long-term capital growth with controls on levels of volatility.

The Sub-Fund invests primarily in open-ended UCIs and UCITS pursuing a diverse range of investment strategies. The Sub-Fund may also invest in equities and equity linked instruments, Money-Market Instruments, debt and debt-related instruments (including convertible bonds and bonds cum warrants), deposits subject to call with a maximum term of 12 months, and interest-rate certificates.

The Sub-Fund may seek exposure to commodities and real estate through investment in eligible transferable securities, indices and other liquid financial assets (either directly or indirectly through open-ended UCITS or UCI). The Sub-Fund may invest up to 20% of its assets in eligible commodity-index certificates. The Sub-Fund may also invest in UCITS or UCIs following alternative strategies.

### **4. Pioneer Fund Solutions – Diversified Income (herein referred to as the “Diversified Income”)**

This Sub-Fund seeks to achieve a stable income that grows over the longer term, with capital growth over the longer term through investing in a diversified portfolio of the permissible instruments described below.

The Sub-Fund invests across a broad and diversified range of income and capital generating asset classes, within an investment framework of strategic and tactical asset allocation and manager selection in order to achieve the Sub-Fund’s income and growth objectives.

The Sub-Fund invests primarily in open-ended UCIs and UCITS pursuing a diverse range of investment strategies. The Sub-Fund may also invest in equities and equity linked instruments, Money-Market Instruments, debt and debt-related instruments (including convertible bonds and bonds cum warrants), deposits subject to call with a maximum term of 12 months, and interest-rate certificates.

The Sub-Fund may seek exposure to commodities and real estate through investment in eligible transferable securities, indices and other liquid financial assets (either directly or indirectly through open-ended UCITS or UCI). The Sub-Fund may invest up to 20% of its assets in eligible commodity-index certificates. The Sub-Fund may also invest in UCITS or UCIs following alternative strategies.

### **5. Pioneer Fund Solutions – Diversified Alpha (herein referred to as the “Diversified Alpha”)**

This Sub-Fund seeks to achieve a positive return in all market conditions when measured over the medium term by investing in a diversified portfolio of the permissible instruments described below.

The Sub-Fund invests primarily in open-ended UCIs and UCITS pursuing a diverse range of investment strategies, including alternative strategies. The Sub-Fund may also invest in equities and equity linked instruments, Money-Market Instruments, debt and debt-related instruments (including convertible bonds

and bonds cum warrants), deposits subject to call with a maximum term of 12 months, and interest-rate certificates.

The Sub-Fund may seek exposure to commodities and real estate through investment in eligible transferable securities, indices and other liquid financial assets (either directly or indirectly through open-ended UCITS or UCI). The Sub-Fund may invest up to 20% of its assets in eligible commodity-index certificates.

## **SHARES**

### **Classes of Shares**

All Sub-Funds may offer Class A, B, C, D, E, F, H, I, J, N, S and X Shares.

Each Class of Shares, whilst participating in the assets of the same Sub-Fund, has a different fee structure and may

- (i) be targeted to different types of investors,
- (ii) not be available in all jurisdictions where the Shares are sold,
- (iii) be sold through different distribution channels,
- (iv) have different distribution policies,
- (v) be quoted in a Pricing Currency different to the Base Currency of the Sub-Fund in which it is issued; and
- (vi) aim to offer protection by hedging against certain currency fluctuations.

Subject as provided below, shares of Sub-Funds of the SICAV may only be made available for investment outside of the UK and Belgium by distributors or sales agents, which are pre-approved by the Management Company, and which also distribute those sub-funds in other countries designated by the Management Company.

### **Features of Certain Shares**

Class H Shares may only be purchased by investors (whether directly or through an appointed nominee) who make an initial investment of euro 1 million or more (or the equivalent in another currency) in that Share Class of a Sub-Fund subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with.

Class I Shares may only be purchased by investors (whether directly or through an appointed nominee) who make an initial investment of euro 10 million or more (or the equivalent in another currency) in that Share Class of a Sub-Fund subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with. Purchases by Italian domiciled investors are subject to receipt of confirmation to the satisfaction of the Management Company or its agents that the Shares purchased will not be the underlying investment for any product ultimately marketed to a retail distribution channel.

Class J Shares may only be purchased by investors (whether directly or through an appointed nominee) who make an initial investment of euro 30 million or more (or the equivalent in another currency) in that Share Class of a Sub-Fund subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with. Where a Shareholder's investment falls below euro 30 million, the Management Company reserves the right to convert those Class J Shares to Class I Shares in the same Sub-Fund. No conversion fees will be applied and the Shareholder will be informed accordingly. Purchases of Class J Shares by Italian domiciled investors are subject to receipt of confirmation to the satisfaction of the Management Company or its agents that the Shares purchased will not be the underlying investment for any product ultimately marketed to a retail distribution channel.

Class N Shares may only be made available for investment by distributors, platforms or other intermediaries, pre-approved by the Management Company or its agents, providing investors with fee-based investment advice.

Class S Shares may only be purchased by investors (whether directly or through an appointed nominee) who make an initial investment of euro 10 million or more (or the equivalent in another currency) in that Share Class of a Sub-Fund subject to the discretion of the Management Company to waive such minimum,

provided always that the principle of equal treatment of Shareholders is complied with. Class S Shares may only be purchased by investors which have previously been approved by the Management Company. Any investor holding Class S Shares without the approval of the Management Company will be compulsorily redeemed. With respect to Class S Shares, the management and/or performance fees specified for Class J Shares shall be applicable 18 months after the launch date of the relevant Sub-Fund. Prior to the expiry of that period, Class S Shares are subject to fees agreed between the Management Company and the relevant investors, which will not be greater than the management and/or performance fees specified for Class J Shares of the relevant Sub-Fund.

Class X Shares may only be purchased by investors (whether directly or through an appointed nominee) who make an initial investment of euro 25 million or more (or the equivalent in another currency) in that Share Class of a Sub-Fund subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with.

### **Hedged Share Classes**

The SICAV may offer hedged class Shares of a Sub-Fund (the “Hedged Classes”). With respect to such Hedged Classes, the Management Company (or its agents) may employ techniques and Instruments to protect against currency fluctuations between the Pricing Currency of the Class and the predominant currency of the assets of the relevant Class within the relevant Sub-Fund with the goal of providing a similar return to that which would have been obtained for a Class of Shares denominated in the predominant currency of the assets of the relevant Sub-Fund. In normal circumstances, the above hedging against currency fluctuations will approximate and not exceed 100% of the net assets of the relevant Hedged Class. While the Management Company (or its agents) may attempt to hedge the currency risk, there can be no guarantee that it will be successful in doing so.

The use of the techniques and Instruments described above may substantially limit Shareholders in the relevant Hedged Class from benefiting if the Pricing Currency falls against the currency in which some or all of the assets of the relevant portfolio are denominated. All costs, gains or losses arising from or in connection with such hedging transactions are borne by the relevant Hedged Class.

Information as to the availability of Hedged Classes of any of the Sub-Funds will be provided in the relevant country specific information referred to in this Prospectus.

### **Ownership**

Shares in any Sub-Fund are issued in registered form only.

The inscription of a Shareholder’s name in the Share register evidences the Shareholder’s right of ownership of Shares. Shareholders will receive a written confirmation of shareholding. No certificates of title are issued.

Fractions of registered Shares resulting from the subscription or conversion of Shares may be issued up to three decimal places.

### **Availability**

Information regarding (i) the availability of Classes in each country where the Shares of the SICAV will be sold, (ii) the availability of Distributing and/or Non-Distributing Shares, (iii) the Pricing Currency (U.S. dollars, euro, £ sterling and/or any other freely convertible currency as the SICAV may determine from time to time) in which Shares of any Class shall be available, (iv) the entities through which such Classes will be available, (v) the minimum initial subscription and holding requirements within the relevant Classes and (vi) the availability of Hedged Classes will be included in the relevant country specific information.

Investors should note however that some Sub-Funds and/or Classes may not be available to all investors. The Classes and their particular fee levels are set by market practices that vary from channel to channel and

from country to country. Their financial adviser can give investors information about which Sub-Funds and/or Classes are offered by such advisors in their country of residence.

The SICAV reserves the right to offer only one or more Class(es) for subscription by investors in any particular jurisdiction in order to conform to local law, custom or business practice or for any other reason. In addition, the SICAV and the Distributor and its Agents may adopt standards applicable to classes of investors or transactions which permit or restrict investment in a particular Class by an investor.

The suitability of any particular Class, distribution option or Pricing Currency depends on many factors specific to each individual investor. Shareholders should consult their financial advisers to determine the implications and factors involved in any investment in a particular Class.

### **Distribution Policy**

The SICAV may issue Distributing Shares and Non-Distributing Shares in certain Classes within the Sub-Funds, as summarised in the country specific information referred to in this Prospectus.

Non-Distributing Shares capitalise their entire earnings whereas Distributing Shares may pay distributions. The SICAV determines how the income of the relevant Classes of the relevant Sub-Funds is distributed. The SICAV may declare, at such time and in relation to such periods, as the SICAV may determine, distributions in the form of cash or Shares as described below. With respect to Distributing Shares, the SICAV may, in compliance with the principle of equal treatment of Shareholders, issue Shares having different distribution cycles depending on the countries where they are sold as more fully described in the relevant country specific information.

All distributions will, in principle, be paid out of the net investment income available for distribution. The SICAV may, in compliance with the principle of equal treatment of Shareholders, decide that for some Classes, distributions will be paid out of the gross assets depending on the countries where such Classes are sold. This will be more fully described in the relevant country specific information. For certain Classes, the SICAV may decide from time to time to distribute net realised capital gains.

Unless otherwise specifically requested, dividends will be reinvested in further Shares within the same Class of the same Sub-Fund and investors will be advised of the details by way of a transaction note.

For Classes entitled to distribution, dividends, if any, will be declared and distributed on an annual basis. Interim dividends may be declared and distributed from time to time at a frequency decided by the SICAV with the conditions set forth by law.

For Classes of Shares which are entitled to distributions on a monthly basis, any distribution below either EUR 100 (or its equivalent in the relevant Pricing Currency), may be automatically reinvested, at the discretion of the Management Company, in further Shares within the same Class of the same Sub-Fund and investors will be advised of the details by the way of a transaction note.

No distribution may be made if, as a result, the Net Asset Value of the SICAV would fall below euro 1,250,000.

Dividends not claimed within five years of their due date will lapse and revert to the relevant Class of the relevant Sub-Fund.

No interest shall be paid on a distribution declared by the SICAV and kept by it at the disposal of a Shareholder.

## **Net Asset Value**

The Net Asset Value is normally calculated for each Business Day (the “Valuation Day”) by reference to the value of the underlying assets of the relevant Class within the relevant Sub-Fund. These underlying assets are valued at the last available prices at the time of valuation on the relevant Valuation Day.

The Net Asset Value as determined for each Class shall be expressed in the Pricing Currency of the relevant Class and shall be calculated by dividing the Net Asset Value of the Sub-Fund attributable to the relevant Class of Shares which is equal to (i) the value of the assets attributable to such Class and the income thereon, less (ii) the liabilities attributable to such Class and any provisions deemed prudent or necessary, through the total number of Shares of such Class outstanding on the relevant Valuation Day.

The Net Asset Value per Share may be rounded up or down to the nearest unit of the Pricing Currency of each Class within each Sub-Fund. To the extent feasible, investment income, interest payable, fees and other liabilities will be accrued each Valuation Day.

The value of the assets will be determined as set forth in the manner explained below under the heading “Valuation of the Assets”. The charges incurred by the SICAV are explained below under the heading “Fees, Charges and Expenses”.

## **Suspension of Calculation**

The SICAV may temporarily suspend the determination of the Net Asset Value per Share within any Sub-Fund and in consequence the issue, redemption and conversion of any Shares in any of the following events:

- When one or more stock exchanges, Regulated Markets or any Other Regulated Market in a Member or in an Other State which is the principal market on which a substantial portion of the assets of a Sub-Fund is invested, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or if trading thereon is restricted or suspended;
- When, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the SICAV, disposal of the assets of the Sub-Fund is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
- In the event of a breakdown in the normal means of communication used for the valuation of any investment of the Sub-Fund or if, for any reason, the value of any asset of the Sub-Fund may not be determined as rapidly and accurately as required;
- When the SICAV is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange.
- Following the suspension of (i) the calculation of the net asset value per share/unit, (ii) the issue, (iii) the redemption, and/or (iv) the conversion of the shares/units issued within the master fund in which the Sub-Fund invests in its capacity as a feeder fund.

Any such suspension and the termination thereof shall be notified to those Shareholders who have applied for subscription, redemption or conversion of their Shares and shall be published as provided in the Articles.

## **Valuation of the Assets**

The calculation of the Net Asset Value of Shares in any Class of any Sub-Fund and of the assets and liabilities of any Class of any Sub-Fund shall be made in the following manner:

### **The assets of the SICAV shall include:**

- 1) all cash on hand or on deposit, including any interest accrued thereon;
- 2) all bills and notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- 3) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the SICAV (provided that the SICAV may make adjustments in a manner not inconsistent with paragraph 1. below with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- 4) all stock dividends, cash dividends and cash distributions receivable by the SICAV to the extent information thereon is reasonably available to the SICAV;
- 5) all interest accrued on any interest-bearing assets owned by the SICAV except to the extent that the same is included or reflected in the principal amount of such asset;
- 6) the liquidating value of all forward contracts and all call or put options the SICAV has an open position in;
- 7) the preliminary expenses of the SICAV, including the cost of issuing and distributing Shares of the SICAV, insofar as the same have to be written off;
- 8) all other assets of any kind and nature including expenses paid in advance.

### **The value of the assets of the SICAV shall be determined as follows:**

1. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof.
2. The value of Transferable Securities, Money Market Instruments and any financial liquid assets and instruments which are quoted or dealt in on a stock exchange or on a Regulated Market or any Other Regulated Market is based on their last available price at the time of valuation of the assets on the relevant stock exchange or market which is normally the main market for such assets.
3. In the event that any assets held in a Sub-Fund's portfolio on the relevant day are not quoted or dealt in on any stock exchange or on any Regulated Market, or on any Other Regulated Market or if, with respect of assets quoted or dealt in on any stock exchange or dealt in on any such markets, the last available price as determined pursuant to sub-paragraph 2 is not representative of the fair market value of the relevant assets, the value of such assets will be based on a reasonably foreseeable sales price determined prudently and in good faith.

4. The liquidating value of futures, forward or options contracts not traded on a stock exchange or on Regulated Markets, or on Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Management Company, on a basis consistently applied for each different variety of contracts. The value of futures, forward or options contracts traded on a stock exchange or on Regulated Markets, or on Other Regulated Markets shall be based upon the last available settlement or closing prices as applicable to these contracts on a stock exchange or on Regulated Markets, or on Other Regulated Markets on which the particular futures, forward or options contracts are traded on behalf of the SICAV; provided that if a futures, forwards or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable.
5. Swaps and all other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Directors.
6. Units or shares of open-ended UCIs will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.

**The liabilities of the SICAV shall include:**

- 1) all loans, bills and accounts payable;
- 2) all accrued interest on loans of the SICAV (including accrued fees for commitment for such loans);
- 3) all accrued or payable expenses (including, without limitation, administrative expenses, management fees, including incentive fees, if any, and depositary fees);
- 4) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid distributions declared by the SICAV;
- 5) an appropriate provision for future taxes based on capital and income as of the Valuation Day, as determined from time to time by the SICAV, and other reserves (if any) authorized and approved by the SICAV, as well as such amount (if any) as the SICAV may consider to be an appropriate allowance in respect of any contingent liabilities of the SICAV;
- 6) all other liabilities of the SICAV of whatsoever kind and nature reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities, the SICAV shall take into account all charges and expenses payable by the SICAV. The SICAV may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

The value of all assets and liabilities not expressed in the Base Currency of a Sub-Fund will be converted into the Base Currency of such Sub-Fund at the rate of exchange ruling in Luxembourg on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the SICAV.

The SICAV, in its discretion, may permit some other method of valuation to be used, if it considers that such valuation better reflects the fair value of any asset of the SICAV.

In the event that extraordinary circumstances render a valuation in accordance with the foregoing guidelines impracticable or inadequate, the SICAV will, prudently and in good faith, use other criteria in order to achieve what it believes to be a fair valuation in the circumstances.

If since the time of determination of the Net Asset Value of the Shares of a particular Sub-Fund there has been a material change in the quotations in the markets on which a substantial portion of the investments of the Sub-Fund are dealt in or quoted, the SICAV may, in order to safeguard the interests of the Shareholders and the SICAV, cancel the first calculation of the Net Asset Value of the Shares of the Sub-Fund and carry out a second calculation.

Shareholders are advised that, to the extent that the Directors considers that it is in the best interests of Shareholders of a particular Sub-Fund, if on any Valuation Day the aggregate subscriptions and redemptions in Shares of all Classes of such Sub-Fund is expected to result in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Sub-Fund, taking into account factors including the prevailing market conditions, the Net Asset Value of the Sub-Fund may be adjusted to reflect the estimated dealing spreads, costs and charges to be incurred by the Sub-Fund in liquidating or purchasing investments to satisfy the net transactions for that particular Valuation Day. The adjustment shall not exceed 2% of the Net Asset Value of the relevant Sub-Fund on the relevant Valuation Day. This adjustment will be made before the application of any performance fee if applicable.

#### **Allocation of the assets of the SICAV:**

The SICAV shall establish a Sub-Fund in respect of each Class of Shares and may establish a Sub-Fund in respect of two or more Classes of Shares in the following manner:

a) if two or more Classes of Shares relate to one Sub-Fund, the assets attributable to such Classes shall be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned. Within a Sub-Fund, Classes of Shares may be defined from time to time by the Board of Directors so as to correspond to: (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions; and/or (ii) a specific sales and redemption charge structure; and/or (iii) a specific management or advisory fee structure; and/or (iv) a specific assignment of distribution, Shareholder services or other fees; and/or (v) a specific type of investor; and/or (vi) a specific currency; (vii) the use of different hedging techniques in order to protect in the reference currency of the relevant Sub-Fund the assets and returns quoted in the currency of the relevant Class of Shares against long-term movements of their currency of quotation; and/or (viii) any other specific features applicable to one Class of Shares, as specified in section "Shares" of this Prospectus.

The Board of Directors may, at its discretion, decide to change the characteristics of any Class in accordance with the procedures determined by the Board of Directors from time to time;

b) the proceeds to be received from the issue of Shares of a Class shall be applied in the books of the SICAV to the Sub-Fund corresponding to that Class of Shares, provided that if several Classes of Shares are outstanding in such Sub-Fund, the relevant amount shall increase the proportion of the net assets of such Sub-Fund attributable to the Class of Shares to be issued;

c) the assets and liabilities and income and expenditure applied to a Sub-Fund shall be attributable to the Class or Classes of Shares corresponding to such Sub-Fund;

d) where the SICAV incurs a liability which relates to any asset of a particular Sub-Fund or Class or to any action taken in connection with an asset of a particular Sub-Fund or Class, such liability shall be allocated to the relevant Sub-Fund or Class;

e) in the case where any asset or liability of the SICAV cannot be considered as being attributable to a particular Class or Sub-Fund, such asset or liability shall be allocated to all the Classes in any Sub-Fund or to the Sub-Funds pro rata to the Net Asset Values of the relevant Classes of Shares or in such other manner as determined by the Directors acting in good faith. The SICAV shall be considered as one single entity. However, with regard to third parties, in particular towards the SICAV's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it;

f) upon the payment of distributions to the holders of Shares of any Class, the Net Asset Value of such Class of Shares shall be reduced by the amount of such distributions.

## **SHARE DEALING**

### **How to subscribe?**

Investors subscribing for the first time must complete an application form in full. For subsequent subscriptions, instructions may be given by fax, by post or other form of communication deemed acceptable by the SICAV.

Minimum initial subscription and holding requirements per investor may be provided as summarized in the relevant country specific information. Investors should read the relevant key investor information document before investing and may be asked to declare that they have received an up-to-date key investor information document.

In addition to any applicable minimum amounts for initial or subsequent investments, the SICAV may also require that Shareholders maintain a minimum account value of EUR 1,000 (or the equivalent in another currency). Should any Shareholder hold less than EUR 1,000 in their account, the SICAV reserves the right to notify affected Shareholders of its intention to sell their Shares (without applying any redemption fee as the case may be) and close their account. Shareholders will be given 60 days from the date of the notice to make additional investments to avoid having their Shares sold. This policy does not apply to accounts with automatic investment plans.

Payment for subscriptions must be received not later than three (3) Business Days after the relevant Valuation Day except in the case of subscriptions made through an Agent for which payments may have to be received within a different timeframe, in which case the Agent will inform the investor of the relevant procedure.

Shares are only assigned to investors and confirmation of registration dispatched to them if payment of the dealing price (plus any applicable sales charge) and original application form have been received by the Registrar and Transfer Agent, the Distributor or the Agent(s).

### **Automatic Investment Plans**

The Distributor may also offer, either directly or through its Agent(s) (if any), the possibility of subscribing for Shares through regular instalments by means of Automatic Investment Plans. Automatic Investment Plans are administered on behalf of the investors in accordance with the terms and conditions specified in the sales documentation and application forms and subject always to the laws of the country where the Distributor or Agent(s) are resident and available at the registered office of the SICAV and at the registered office of the Agent(s) (if any). Investors should contact their financial advisor for further information.

### **Identification of subscribers**

Pursuant to the laws and regulations of Luxembourg with respect to money laundering and terrorist financing and, in particular, pursuant to any relevant Circulars issued by the Regulatory Authority from time to time, obligations have been imposed on financial sector individuals to prevent the use of UCITS for money laundering and terrorist financing purposes. To meet these requirements the application form of a subscriber (and, where necessary, a beneficial owner) must be accompanied, in the case of individuals, by a copy of the passport or identification card and/or in the case of legal entities, a copy of the statutes and an extract from the commercial register (any such copy must be certified to be a true copy by one of the following authorities: embassy, consulate, notary, local police or other authorities determined on a case by case basis by the SICAV). Such identification procedure may be waived by the SICAV in the following circumstances:

- a) in the case of a subscription through a professional of the financial sector resident in a country which imposes an identification obligation equivalent to that required under Luxembourg law for the prevention of money laundering and terrorist financing;

- b) in the case of a subscription through a professional of the financial sector whose parent is subject to an identification obligation equivalent to that required by Luxembourg law and where the law applicable to the parent -or a statutory or professional obligation pursuant to a group policy- impose an equivalent obligation on its subsidiaries or branches.

The investor due diligence procedure may be simplified or enhanced depending on the profile of an investor in terms of the risk of money laundering or terrorist financing.

Subject to the discretion of the SICAV, it is generally accepted that financial professionals resident in a country which has ratified the conclusions of the Financial Action Task Force are deemed to have identification requirements equivalent to that required by Luxembourg law.

### **How to pay?**

Payment should be made by money transfer net of all bank charges (which are for the account of the investor). Payment may also be made by cheque, in which case a delay in processing may occur pending receipt of cleared funds. Where such a delay occurs, investors should be aware that their applications will be processed on the basis of the Net Asset Value of the Valuation Day following the Business Day when cleared funds are received. Cheques are only accepted at the discretion of the SICAV. Further settlement details are available at the registered office of the SICAV and at the registered office of the Agents (if any) and on the application form.

Payment of the dealing price is to be made in the Pricing Currency or in any other currency specified by the investor and acceptable to the Management Company, in which case the cost of any currency conversion shall be paid by the investor and the rate of such conversion will be that prevailing on the relevant Valuation Day.

### **How to convert?**

In accordance with the Articles of the SICAV, a Shareholder may convert all or part of the Shares he holds in a Sub-Fund into Shares of another Sub-Fund but within the same Class of Shares.

Instructions for the conversion of Shares may be made by fax, by telephone, by post or other form of communication deemed acceptable by the SICAV. Shareholders should read the relevant key investor information document relating to their intended investment before converting their Shares and may be asked to declare that they have received an up-to-date key investor information document.

Shareholders may exchange Non-Distributing Shares for Distributing Shares and vice versa within the same or another Sub-Fund but within the same Class of Shares. Similarly, Shareholders may exchange Hedged Share Classes for other Shares in the same Class which are not Hedged and vice versa, within the same Sub-Fund.

Shareholders must specify the relevant Sub-Fund(s) and Class(es) of Shares as well as the number of Shares or monetary amount they wish to convert and the newly selected Sub-Fund(s) to which their Shares are to be converted.

The value at which Shares of any Class in any Sub-Fund shall be converted will be determined by reference to the respective Net Asset Value of the relevant Shares, calculated on the same Valuation Day decreased, if appropriate, by a conversion fee, as provided above.

A conversion of Shares of one Sub-Fund for Shares of another Sub-Fund including conversions between Non-Distributing Shares and Distributing Shares or Hedged and non-Hedged Shares, will be treated as a redemption of Shares and simultaneous purchase of Shares. A converting Shareholder may, therefore,

realise a taxable gain or loss in connection with the conversion under the laws of the country of the Shareholder's citizenship, residence or domicile.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

In converting Shares of a Sub-Fund for Shares of another Sub-Fund, an investor must meet any applicable minimum investment requirement imposed in the relevant Class by the acquired Sub-Fund.

If, as a result of any request for conversion the aggregate Net Asset Value of the Shares held by the converting Shareholder in a Class of Shares within a Sub-Fund fall below any minimum holding requirement indicated in this Prospectus the SICAV may treat such request as a request to convert the entire Shareholding of such Shareholder in such Class at the SICAV's discretion.

If, on any given date, conversion requests representing more than 10% of the Shares in issue in any Sub-Fund may not be effected without affecting the relevant Sub-Fund's assets, the SICAV may defer conversions exceeding such percentage for such period as is considered necessary to sell part of the relevant Sub-Fund's assets in order to be able to meet the substantial conversion requests.

The Distributor may also offer, either directly or through its Agents (if any), the possibility of converting all or part of the Shares a Shareholder holds in a Sub-Fund of the SICAV into units of another sub-fund belonging to the Pioneer Funds or Pioneer S.F. funds but within the corresponding class of units. Such a conversion shall be made in accordance with any terms and conditions of those funds' offering documents. Those offering documents are available at the registered office of the Management Company and at the registered office of the Agents (if any). Investors should contact their financial advisor for further information. In the event of a conversion from a Sub-Fund of the SICAV to another sub-fund of Pioneer Funds or Pioneer S.F., the proceeds of conversion on a Business Day will be invested on the next following business day of Pioneer Funds or Pioneer S.F. and at the net asset value determined in respect of that Business Day.

### **How to redeem?**

In accordance with the Articles of the SICAV, Shareholders may request redemption of their Shares at any time before the cut-off time (as hereinafter defined) on any Valuation Day.

Instructions for the redemption of Shares may be made by fax, by telephone, by post or other form of communication deemed acceptable by the SICAV.

Upon instruction received from the Registrar and Transfer Agent, payment of the redemption price will be made by bank transfer with a value date at the latest three (3) Business Days following the relevant Valuation Day, except in case of redemptions made through an Agent for which payment of the redemption price may be made within a different timeframe in which case, the Agent will inform the relevant Shareholder of the procedure relevant to that Shareholder. Payment may also be requested by cheque, in which case a delay in processing may occur.

If, on any given date, payment on redemption requests representing more than 10% of the Shares in issue in any Sub-Fund may not be effected out of the relevant Sub-Fund's assets or authorised borrowing, the SICAV may defer redemptions exceeding such percentage for such period as is considered necessary to sell part of the relevant Sub-Fund's assets in order to be able to meet the substantial redemption requests.

If, as a result of any request for redemption, the aggregate Net Asset Value of the Shares held by the redeeming Shareholder in a Class of Shares within a Sub-Fund would fall below any minimum holding requirement indicated in the Prospectus, the SICAV may treat such request as a request to redeem the entire Shareholding of such Shareholder in such Class.

Payment of the redemption price is to be made in the Pricing Currency or in any other currency specified by the investor and acceptable to the SICAV, in which case the cost of any currency conversion shall be borne by the investor and the rate of such conversion will be that of the relevant Valuation Day.

### **Systematic Withdrawal Plan**

The Distributor may also offer, either directly or through its Agent(s) (if any), the possibility of redeeming Shares of the SICAV through a Systematic Withdrawal Plan. The Systematic Withdrawal Plan is administered both in accordance with the terms and conditions specified in the sales documentation and application forms from time to time issued and subject always to the laws of the country where the Distributor or Agent(s) are resident and available at the registered office of the SICAV and at the registered office of the Agent(s) (if any). Investors should contact their financial advisor for further information.

### **Dealing Price**

The dealing price for the subscription, conversion and redemption of Shares of the same Class within each Sub-Fund will be calculated as follows:

### **Subscriptions**

In the event of a subscription for Class B, C, F, I, J, N, S and X Shares, the dealing price will be equal to the Net Asset Value per Share. Class B and C Shares are subject to a deferred sales charge.

In the event of a subscription for Class A, D, E and H Shares, the dealing price will be equal to the Net Asset Value per Share increased by the relevant sales charge.

### **Conversions**

The dealing price will be equal to the Net Asset Value per Share of Class B, C, F, I, J, N, S and X Shares when converting Shares of a Sub-Fund into Shares of another Sub-Fund.

The dealing price will be equal to the Net Asset Value per Share of Class A, D, E, and H Shares decreased by a conversion fee equal to the difference between the sales charge of the Sub-Fund to be purchased and the Sub-Fund to be sold when converting Shares of a Sub-Fund into Shares of another Sub-Fund charging a higher sales charge.

Furthermore, in respect of conversion of Class A, E, and F Shares, the dealing price may also be decreased by an additional conversion fee representing a percentage of the Net Asset Value of the Shares to be converted.

### **Redemptions**

In the event of a redemption from Class A, D, E, F, H, I, J, N, S and X Shares, the dealing price will be equal to the Net Asset Value per Share.

In the event of a redemption from Class B and C Shares, the dealing price will be equal to the Net Asset Value per Share decreased by the relevant deferred sales charge.

The dealing price will be equal to the Net Asset Value per Share decreased by the redemption fee in case of redemptions for Shares in Sub-Funds applying such a fee (as more fully disclosed in Appendix I).

### **Dealing Time**

An application for subscription, conversion or redemption must be received by the Registrar and Transfer Agent (on behalf of the Management Company from the Agents (if any) or directly from the investor), before the cut-off time (the "cut-off time") shown below:

<b>Sub-Fund</b>	<b>Dealing cut-off time</b>
All Sub-Funds (except as detailed below)	Any time before 6.00 p.m. Luxembourg time on the relevant Valuation Day
Diversified Alpha	Subscriptions: Any time before 6.00 p.m., Luxembourg time on the relevant Valuation Day  Redemptions or (if permitted) conversions out: Any time before 6.00 p.m., Luxembourg time not later than five (5) Business Days before the Valuation Day

All subscriptions, conversions or redemptions are made on the basis of an unknown Net Asset Value.

Applications received after the cut-off time shall be deemed to have been received on the next Valuation Day.

In addition, different time limits may apply if subscriptions, redemptions or conversions of Shares are made through an Agent, provided that the principle of equal treatment of Shareholders is complied with. In such cases, the Agent will inform the relevant investor of the procedure relevant to such investor. Applications for subscription, redemption or conversion through the Distributor or the Agent(s) may not be made on days where the Distributor and/or its Agent(s), if any, are not open for business. In case subscriptions, redemptions or conversions of Shares are made through the Distributor or an Agent, such Agent will only forward those applications which were received prior to the cut-off time mentioned above.

The SICAV may permit a subscription, redemption or conversion application to be accepted by the Registrar and Transfer Agent after the cut-off time provided that (i) the application is received before such cut-off time by the Distributor and/or its Agent(s), (ii) the acceptance of such request does not impact other Shareholders and (iii) there is equal treatment to all Shareholders.

No Agent is permitted to withhold orders to benefit personally from a price change.

### **Excessive Trading/Market Timing**

The SICAV does not permit excessive trading practices. Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm the SICAV's performance. To minimise harm to the SICAV and the Shareholders and for the benefit of the relevant Sub-Fund, the SICAV has the right to suspend any subscription, redemption or conversion order, or levy a fee of up to 2% of the value of the order from any investor who is engaging in excessive trading or has history of excessive trading or if an investor's trading, in the opinion of the SICAV, has been or may be disruptive to the SICAV or any of the Sub-Funds.

In exercising these rights, the SICAV may consider trading done in multiple accounts under common ownership or control. Where accounts are held by an intermediary on behalf of client(s), such as nominee accounts, the SICAV may require the intermediary to provide information about the transactions and to take action to prevent excessive trading practices. The SICAV also has the power to redeem all Shares held by a Shareholder who is or has been engaged in excessive trading. The SICAV will not be held liable for any loss resulting from rejecting orders or mandatory redemptions.

## FEES, CHARGES AND EXPENSES

### Sales Charge

A sales charge will be levied as a percentage of the Net Asset Value as detailed in the table below:

Share Class	Sales Charge
Class A	Maximum of 5%
Class D	Maximum of 3%
Class E	Maximum of 4%
Class H	Maximum of 2%
Class B and C	Subject to a deferred sales charge
Class F, I, J, N, S and X	No sales charge

Details of sales charges applicable to each Class of Shares and Sub-Fund are set out in Appendix I of the Prospectus.

The Distributor may share the sales charge and any applicable conversion fee received by it with any of its Agents (if any) or professional advisers as it may, in its discretion, determine.

Investment advisers may charge Adviser Charges (as described above under ‘**Additional Information for Investors in the United Kingdom**’) in relation to the subscription for Class N Shares. The Management Company may offer to facilitate the payment of any Adviser Charges by separating out, where applicable, an amount or amounts for the payment of the Adviser Charge from the amount to be invested received from an investor. The Management Company may facilitate a deduction of Adviser Charges subject to a maximum of 5% of the amount to be invested.

### Deferred Sales Charge

Classes B and C Shares are sold without a sales charge, although a deferred sales charge may be imposed if Shareholders redeem Shares within a specific period of time as detailed in the table below.

Share Class	Deferred sales charge
Class B	4% maximum declining to 0% over a 4 year period following investment
Class C	1% maximum during the first year of investment

Shareholders should note that for the purpose of determining the number of years Shares have been held:

- (a) the anniversary of the date of subscription shall be used.
- (b) the Shares held the longest period are redeemed first.
- (c) the Shares which a Shareholder receives upon a conversion carry the holding period(s) which corresponds to the holding period(s) of the Shares which were converted.
- (d) when a Shareholder converts Shares which have been subscribed at different times to Shares of another Sub-Fund, the Registrar and Transfer Agent will convert the Shares held for the longest period.

No deferred sales charge will be imposed on Class B and Class C Shares if Shareholders redeem Shares after the four-year period and after the one-year period respectively.

Shares acquired by reinvestment of dividends or distributions will be exempt from the deferred sales charge in the same manner as the deferred sales charge will also be waived on redemption of Classes B and C Shares arising out of death or disability of a Shareholder or all Shareholders (in case of a single Shareholder or in case of joint Shareholding).

For Shares subject to a deferred sales charge, the amount of the charge is determined as a percentage of the lesser of the current market value and the purchase price of the Shares being redeemed. For example, when a Share that has appreciated in value is redeemed during the deferred sales charge period, a deferred sales charge is assessed only on its initial purchase price.

In determining whether a deferred sales charge is payable on any redemption, the Sub-Fund will first redeem Shares not subject to any deferred sales charge, and then Shares held longest during the deferred sales charge period. The amount of any deferred sales charge to be paid will be retained by the Management Company which is entitled to such deferred sales charge.

### **Conversion Fee**

When converting Shares of a Sub-Fund into Shares of another Sub-Fund within the same Class of Shares charging a higher sales charge, a conversion fee equal to the difference between the sales charge of the Sub-Fund to be purchased and the sales charge of the Sub-Fund to be sold may be charged by the Distributor to the Shareholder. No conversion fee will be levied to the Shareholder when converting Shares from a Sub-Fund charging a higher commission.

When converting either Class A, E or F Shares of a Sub-Fund into Class A, E or F Shares respectively of another Sub-Fund, an additional conversion fee of up to 1% may be levied as a percentage of the Net Asset Value of the Shares to be converted by the Distributor or its Agents to the Shareholder. The Distributor or its Agents shall inform the investors whether such additional conversion fee applies.

If Shareholders convert either Class B or C Shares (which are subject to a deferred sales charge), of one Sub-Fund for Class B or C Shares respectively of another Sub-Fund, the transaction will not be subject to a deferred sales charge. However, when Shareholders redeem the Shares acquired through the conversion, the redemption may be subject to the deferred sales charge and/or a redemption fee if applicable to that Class, depending upon when Shareholders originally purchased the Shares of that Class.

### **Redemption Fee**

For all Sub-Funds, Shares will be redeemed at a price based on the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund. At present no redemption fees are levied on the redemption of Shares.

### **Other Costs**

Any currency conversion costs as well as any costs incurred on cash transfers will be charged to the Shareholder.

### **Management Fee**

The Management Company is entitled to receive from the SICAV a management fee calculated as a percentage of the Net Asset Value of the relevant Class of Shares within a Sub-Fund as summarised in Appendix I to the Prospectus.

The management fee is calculated and accrued on each Valuation Day and is payable monthly in arrears on the basis of the average daily Net Asset Value of the relevant Class within the relevant Sub-Fund(s).

For Class X Shares, the management fee will be charged and collected by the Management Company directly from the Shareholder and will not be charged to the Sub-Funds or reflected in the Net Asset Value. The management fee may be calculated according to such methodology and payment terms as may be agreed between the Management Company and the relevant investor.

The Management Company is responsible for the payment of fees to the Investment Manager who may pass on all or a portion of its own fees to the Sub-Investment Managers.

The maximum management fees of other UCIs or UCITS in which a Sub-Fund may invest shall not exceed 3% of such Sub-Fund's assets.

Further details on the management fee applicable to a relevant Class of Shares within a Sub-Fund are described in Appendix I to the Prospectus, except for Class S Shares which are subject to a management fee agreed between the Management Company and the relevant investors.

#### **Fees of the Depositary and Paying Agent and of the Administrator**

The Depositary and Paying Agent and the Administrator are entitled to receive a fee out of the assets of the relevant Sub-Fund (or the relevant Class of Shares, if applicable), which will range, depending on the country where the assets of the relevant Sub-Fund are held, from 0.003% to 0.5% of the asset values underlying the relevant Sub-Fund or Class of Shares, payable monthly in arrears.

#### **Distribution charge**

The Management Company, in its capacity as Distributor, shall receive a distribution fee, payable monthly in arrears on the basis of the average daily Net Asset Value of the relevant Class within the relevant Sub-Fund as summarised in Appendix I to the Prospectus. However, no distribution fee will apply to Class X Shares. The Management Company may pass on a portion of or all of such fees to its Agents (if any), as well as to professional advisers as commission for their services.

#### **Performance Fee**

The Management Company may earn a performance fee for certain Classes of Shares within certain Sub-Funds where the Net Asset Value per Share of the Class outperforms its benchmark or performance hurdle during a Performance Period (as defined hereinafter). Please refer to Appendices I and II of this Prospectus for details of applicable performance fee rates and benchmarks or performance hurdles. The Management Company is not entitled to earn a performance fee in the following circumstances:

- where the Class underperforms its benchmark or performance hurdle,
- where the return of the Class is negative over the Performance Period regardless of how the Class performs against its benchmark or performance hurdle, or
- where the Net Asset Value per Share of the relevant Classes does not, during the Performance Period, exceed its respective High Watermark, if applicable, regardless of how such Classes perform against their benchmark or performance hurdle.

The Management Company and the Investment Manager will not indemnify any Shareholder for any under-performance of a Class of a Sub-Fund against its respective benchmark or performance hurdle.

For Class X Shares, any performance fee will be charged and collected by the Management Company directly from the Shareholders and will not, therefore, be reflected in the Net Asset Value.

#### **Performance Period**

A performance period ("Performance Period") is a calendar year.

#### **Performance Fee Calculation**

Performance fees are calculated on each Valuation Day for accrual thereof in the Net Asset Value for each Performance Period, subject at all times to the performance fee criteria above. The performance fee is calculated by reference to the increase in the Class's assets over and above the increase in the benchmark or performance hurdle as adjusted for subscriptions into and redemptions out of (see 'Impact of

Subscriptions and Redemptions' below) the relevant Classes of Shares during the Performance Period. The calculation is as follows:

- where the benchmark or performance hurdle returns are positive, the Management Company earns a performance fee equal to the percentage listed in Appendix I of this Prospectus of the outperformance the relevant Classes of Shares achieved over its respective benchmark or performance hurdle subject, where applicable, to the High Watermark Principle (as defined below) during the Performance Period.
- where the Sub-Fund's benchmark or performance hurdle declines over the Performance Period, the Management Company earns a performance fee equal to the percentage listed in Appendix I of this Prospectus of the positive performance that the relevant Classes of Shares achieved subject, where applicable, to the High Watermark Principle during the Performance Period.
- Where a Class performance exceeds the High Watermark and the benchmark or performance hurdle, but the excess performance against the High Watermark is less than the excess performance against benchmark or performance hurdle, then the performance fee will be calculated by reference to the portion of the excess performance over the High Watermark and not the benchmark or performance hurdle.

### **Impact of Subscriptions and Redemptions**

For subscriptions received during the Performance Period, any performance fee is determined from the date of the subscriptions until the end of the Performance Period (unless such Shares are redeemed as described below).

For redemptions made during the Performance Period, any performance fee is determined from the beginning of the Performance Period or from the date of subscription, whichever is more recent, and the date of the redemption. Redemptions draw down Shares on a last in first out basis eliminating the most recent Shares created first. Any performance fee calculated on the Shares being redeemed is realised and payable to the Management Company at the point of redemption.

### **High Watermark Principle**

The Management Company will apply at all times the high watermark principle (the "High Watermark Principle") when calculating the performance fee. The High Watermark Principle establishes a Net Asset Value per Share below which performance fees will not be paid. This level is called the High Watermark. It is set at the Net Asset Value per Share of the relevant Classes prevailing at the end of the immediately preceding Performance Period or, if no performance fee has ever been paid on that Class, at the Net Asset Value per Share at which the Class was launched or, where a performance fee is introduced to that Class for the first time, at the Net Asset Value per Share of the Class on the Business Day immediately preceding the date of introduction of the performance fee on that Class.

### **Performance Benchmarks or Hurdles**

The benchmarks or performance hurdles are calculated gross of management and other fees and charges based on a Total Return index unless otherwise specified.

For the avoidance of doubt, for the purpose of calculating performance fees, neither the Management Company, the Investment Manager, the Administrator, nor the relevant index providers will be liable (in negligence or otherwise) to any Shareholder for any error in the determination of the relevant benchmark index or for any delay in the provision or availability of any benchmark index and shall not be obliged to advise any Shareholder of the same.

Where appropriate, all benchmark or performance hurdle calculations are to be converted into the Base Currency of the Sub-Fund. Where Sub-Funds have a performance hurdle of the Euro overnight rate of

EONIA, the performance fee for non-euro denominated, currency hedged, Classes of those Sub-Funds will be calculated against an equivalent overnight rate in the currency of the hedged Class.

In respect of the Class F Units, the performance calculation will be performed on a “Price Index”, i.e., the calculation of the performance of the benchmark or performance hurdle will be net of dividends.

### **Master/Feeder Fees**

When a Sub-Fund qualifying as a Feeder invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the Sub-Fund’s investment in the shares/units of the Master.

Should a Sub-Fund qualify as Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in an appendix to this Prospectus. A statement on the aggregate charges of both the Feeder and the Master shall be included in the SICAV’s annual report.

Should a Sub-Fund qualify as a Master of another UCITS, that feeder fund will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

### **Commission Sharing Arrangements**

The Investment Manager may enter into commission sharing or similar arrangements. Consistent with obtaining best execution, commission sharing agreements (“CSA”) are agreements between the Investment Manager and nominated brokers that specify a certain proportion of dealing commission sent to a broker be reserved to pay for research with one or more third parties. The provision of research is subject to arrangements between the Investment Manager and the research providers and the commission split for execution and research is negotiated between the Investment Manager and the executing broker. Separately to CSA, executing brokers may also provide research with payment deducted from the execution cost. The receipt of investment research and information and related services permits the Investment Manager to supplement its own research and analysis and makes available to it the views and information of individuals and research staffs of other firms. Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid by the Investment Manager.

## INVESTMENT RESTRICTIONS

### 1. Restrictions

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under section “Investment Objectives”, the investment policy of each Sub-Fund shall comply with the rules and restrictions laid down hereafter:

#### A. Permitted Investments:

The investments of a Sub-Fund must comprise of one or more of the following:

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange of an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange in an Other State or on an Other Regulated Market as described under (1)-(3) above;
  - such admission is secured within one year of issue;
- (5) shares or units of UCITS authorised according to the UCITS Directive (including Shares issued by one or several other Sub-Funds of the SICAV and shares or units of a master fund qualifying as a UCITS, in accordance with the Law of 17 December 2010) and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of the UCITS Directive, whether established in a Member State or in an Other State, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong, Norway and Japan);
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and short sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of UCITS Directive;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10 % of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

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

(7) financial derivative instruments, i.e. in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:

- (i) - the underlying consists of instruments covered by this Section A., financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objectives;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority, and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the SICAV’s initiative;
- (ii) under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objectives.

(8) Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, to the extent that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(9) In addition, the investment policy of a Sub-Fund may replicate the composition of an index of securities or debt securities in compliance with the Grand-Ducal Regulation of 8 February 2008.

**B. However, each Sub-Fund:**

- (1) shall not invest more than 10% of its assets in Transferable Securities or Money Market Instruments other than those referred to above under A;
- (2) shall not acquire either precious metals or certificates representing them;
- (3) may hold ancillary liquid assets;
- (4) may borrow up to 10% of its assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute “borrowings” for the purpose of this restriction;
- (5) may acquire foreign currency by means of a back-to-back loan.

**C. Investment Limits:**

**(a) Risk Diversification rules**

For the purpose of calculating the restrictions described in (1) to (5), (8), (9), (13) and (14) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules described under items (1) to (5), (7) to (9) and (12) to (14) hereunder.

• ***Transferable Securities and Money Market Instruments***

- (1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
  - (i) upon such purchase more than 10% of its assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or
  - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in each of which it invests more than 5% of its assets would exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- (2) A Sub-Fund may invest on a cumulative basis up to 20% of its assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).
- (4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public supervision in order to protect the holders of such qualifying

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

(5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).

**(6) Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its assets in Transferable Securities and Money Market Instruments issued or guaranteed by (i) a Member State, its local authorities or a public international body of which one or more Member State(s) are member(s), (ii) any OECD member state or any member country of the G-20, or (iii) Singapore or Hong Kong, provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the total assets of such Sub-Fund.**

(7) Without prejudice to the limits set forth hereunder under **(b) Limitation on Control**, the limits set forth in (1) are raised to a maximum of 20 % for investments in stocks and/or debt securities issued by the same body when the aim of the Sub-Fund’s investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Regulatory Authority, on the following basis:

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

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

• ***Bank Deposits***

(8) A Sub-Fund may not invest more than 20% of its assets in deposits made with the same body.

• ***Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund’s assets when the counterparty is a credit institution referred to in A. (6) above or 5% of its assets in other cases.

(10) Investment in financial derivative instruments shall only be made within the limits set forth in (2), (5) and (14) and provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (C) (a) (10) and (D) hereunder as well as with the risk exposure and information requirements laid down in this Prospectus.

- ***Units of Open-Ended Funds***

(12) No Sub-Fund may invest more than 20% of its assets in the units of a single UCITS or other UCI; unless it is acting as a Feeder in accordance with the provisions of Chapter 9 of the Law of 17 December 2010.

A Sub-Fund acting as a Feeder shall invest at least 85% of its assets in the shares or units of its Master.

A Sub-Fund acting as a Master shall not itself be a Feeder nor hold shares or units in a Feeder.

For the purpose of the application of these investment limits, each sub-fund of a UCI with multiple sub-funds within the meaning of Article 181 of the Law of 17 December 2010 is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of a Sub-Fund.

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 (1) to (5), (8), (9), (13) and (14).

When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or indirectly by delegation, by the same management company or by any other company with which this management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or other UCIs.

In its annual report, the SICAV shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

A Sub-Fund may subscribe, acquire and/or hold Shares to be issued or issued by one or more other Sub-Fund(s) of the SICAV under the condition that:

- the target Sub-Funds do not, in turn, invest in the Sub-Fund invested in these target Sub-Funds;
- no more than 10% of the assets of the target Sub-Funds which acquisition is contemplated may be invested in aggregate in Shares of other target Sub-Funds;
- in any event, for as long as these Shares are held by the SICAV, their value will not be taken into consideration for the calculation of the net assets of the SICAV for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010; and
- there is no duplication of management/subscription or redemption fees between those at the level of the Sub-Fund having invested in the target Sub-Funds, and these target Sub-Funds.

- ***Combined limits***

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Sub-Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body,
- deposits made with that body, and/or
- exposures arising from OTC derivative transactions undertaken with that body.

(14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35 % of the assets of each Sub-Fund.

**(b) Limitations on Control**

(15) With regard to all UCITS under its management, the Management Company may not acquire voting shares to the extent that it is able overall to exert a material influence on the management of the issuer.

(16) The SICAV as a whole may acquire no more than (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of the same UCITS and/or UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The limits set forth above under (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investment policy the restrictions set forth under C., items (1) to (5), (8), (9) and (12) to (16); and
- shares held by one or more Sub-Funds in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of Shares at the request of Shareholders, exclusively on its or their behalf.
- units or shares of a Master held by a Sub-Fund acting as a Feeder in accordance with Chapter 9 of the Law of 17 December 2010.

**D. Global Exposure:**

Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

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

**E. Additional investment restrictions:**

(1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps on such foreign currencies, financial instruments, indices or Transferable Securities thereon are not considered to be transactions in commodities for the purpose of this restriction.

(2) No Sub-Fund may invest in real estate or any option, right or interest therein, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(3) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non-fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A., items (5), (7) and (8) and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in “Securities Lending and Borrowing” below).

(4) The SICAV may not enter into short sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A., items (5), (7) and (8).

**F. Notwithstanding anything to the contrary herein contained:**

(1) The limits set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to Transferable Securities and Money Market Instruments in such Sub-Fund’s portfolio.

(2) If such limits are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its unitholders.

The SICAV has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the SICAV are offered or sold.

**2. Swap Agreements and Efficient Portfolio Management Techniques**

The SICAV may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for efficient portfolio management, duration management and hedging purposes as well as for investment purposes, in compliance with the provisions laid down in Section 1. above.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives and risk profiles as laid down under “Investment Objectives and Investor Profiles” in this Prospectus.

In addition to any limitation contained herein, for particular Sub-Funds to be determined by the Board of Directors of the SICAV from time to time and disclosed in this Prospectus, the total amount (i.e. total amount of commitments taken and premiums paid in respect of such transactions) held in derivatives for the purposes of risk hedging, duration or efficient portfolio management as well as for investment purposes (with the exception that amounts invested in currency forwards and currency swaps for hedging are excluded from such calculation) shall not exceed at any time 40% of the Net Asset Value of the relevant Sub-Fund.

## **(A) Swap Agreements**

Some Sub-Funds may enter into 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 acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between the par value and the market price of the said bond or other designated reference obligations when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due.

Provided it is in its exclusive interest, the SICAV may sell protection under Credit Default Swaps (individually a “Credit Default Swap Sale Transaction”, collectively the “Credit Default Swap Sale Transactions”) in order to acquire a specific credit exposure.

In addition, the SICAV may, provided it is in its exclusive interest, buy protection under Credit Default Swaps (individually a “Credit Default Swap Purchase Transaction”, collectively the “Credit Default Swap Purchase Transactions”) without holding the underlying assets.

Such swap transactions must be effected with first class financial institutions specializing in this type of transaction and executed on the basis of standardized documentation such as the International Swaps and Derivatives Association (ISDA) Master Agreement.

In addition, each Sub-Fund must ensure to guarantee adequate permanent coverage of commitments linked to such Credit Default Swap to always be in a position to honour redemption requests from investors.

Some Sub-Funds may enter into other types of swap agreements such as total return swaps, interest rate swaps, swaptions and inflation-linked swaps with counterparties duly assessed and selected by the Management Company that are first class institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority.

## **(B) Efficient Portfolio Management Techniques**

Any Sub-Fund may enter into efficient portfolio management techniques, including securities lending and borrowing and repurchase and reverse repurchase agreements, where this is in the best interests of the Sub-Fund and in line with its investment objective and investor profile, provided that the applicable legal and regulatory rules are complied with:

### **(a) Securities Lending and Borrowing**

Any Sub-Fund may enter into securities lending and borrowing transactions provided that it complies with the following rules:

- (i) The Sub-Fund may only lend or borrow securities through a standardised system organised by a recognised clearing institution, through a lending program organized by a financial institution or through a first class financial institution specialising in this type of transaction subject to prudential supervision rules which are considered by the Regulatory Authority as equivalent to those provided by Community law.
- (ii) As part of lending transactions, the Sub-Fund must receive a guarantee, the value of which must be, during the lifetime of the agreement, at any time at least 90% of the value of the securities lent.

- (iii) The Sub-Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled at all times to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Sub-Fund's assets in accordance with its investment policy.
- (iv) The Sub-Fund shall ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
- (v) The securities borrowed by the Sub-Fund may not be disposed of during the time they are held by this Sub-Fund, unless they are covered by sufficient financial instruments which enable the SICAV to reconstitute the borrowed securities at the close of the transaction.
- (vi) The Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises the right to repurchase these securities, to the extent such securities have been previously sold by the Sub-Fund.

**(b) Reverse Repurchase and Repurchase Agreement Transactions**

Any Sub-Fund may, on an ancillary or a principal basis, as specified in the description of its investment policy, enter into reverse repurchase and repurchase agreement transactions which consist of a forward transaction at the maturity of which:

- (i) The seller (counterparty) has the obligation to repurchase the asset sold and the Sub-Fund the obligation to return the asset received under the transaction. Securities that may be purchased in reverse repurchase agreements are limited to those referred to in the CSSF Circular 08/356 dated 4 June 2008 and they must conform to the relevant Sub-Fund's investment policy; or
- (ii) The Sub-Fund has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction.

A Sub-Fund may only enter into these transactions if the counterparties in such transactions are subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those provided by Community law.

A Sub-Fund must take care to ensure that the value of the reverse repurchase or repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligations towards its Shareholders.

A Sub-Fund that enters into a reverse repurchase transaction must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

A Sub-Fund that enters into a repurchase agreement must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.

### **(C) Management of Collateral**

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits provided for under item 1. C. (a) above.

Where a Sub-Fund enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

- a) any collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions of item 1. C. (b) above.
- b) collateral received shall be valued in accordance with the rules of Section “Valuation of the Assets” on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- c) collateral received shall be of high quality.
- d) the collateral received shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- e) collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund’s Net Asset Value.
- f) Where there is a title transfer, the collateral received shall be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- g) Collateral received shall be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty.
- h) Non-cash collateral received shall not be sold, re-invested or pledged.
- i) Cash collateral received shall only be:
  - placed on deposit with entities as prescribed in item 1. A. (6) above;
  - invested in high-quality government bonds;
  - used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis;

- invested in short-term money market funds as defined in the “Guidelines on a Common Definition of European Money Market Funds”.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

#### **(D) Co-Management Techniques**

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the SICAV may decide that part or all of the assets of a Sub-Fund will be co-managed with assets belonging to other Sub-Funds within the present structure and/or other Luxembourg collective investment schemes. In the following paragraphs, the words “co-managed entities” shall refer to the SICAV and all entities with and between which there would exist any given co-management arrangement and the words “co-managed Assets” shall refer to the entire assets of these co-managed entities co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, the Investment Manager will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of each Sub-Fund’s portfolio. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investment shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Board of Directors of the SICAV or its appointed agents, the co-management arrangement may cause the composition of assets of the SICAV to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions.

Thus, all other things being equal, subscriptions received in one entity with which the SICAV or any Sub-Fund is co-managed will lead to an increase in the SICAV’s and Sub-Fund’s reserve(s) of cash. Conversely, redemptions made in one entity with which the SICAV or any Sub-Fund is co-managed will lead to a reduction in the SICAV’s and Sub-Fund’s reserves of cash respectively. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Board of Directors of the SICAV or its appointed agents to decide at any time to terminate its participation in the co-management arrangement permit the SICAV to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of the SICAV and of its Shareholders.

If a modification of the composition of the SICAV’s portfolio resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the SICAV) is likely to result in a breach of the investment restrictions applicable to the SICAV, the relevant assets shall be

excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets of the SICAV shall, as the case may be, only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets in order to ensure that investment decisions are fully compatible with the investment policy of the relevant Sub-Fund. Co-managed Assets shall only be co-managed with assets for which the Depositary is also acting as depository in order to assure that the Depositary is able, with respect to the SICAV, to fully carry out its functions and responsibilities pursuant to the Law of 17 December 2010. The Depositary shall at all times keep the SICAV's assets segregated from the assets of other co-managed entities, and shall therefore be able at all times to identify the assets of the SICAV. Since co-managed entities may have investment policies, which are not strictly identical to the investment policy of the relevant Sub-Fund, it is possible that as a result the common policy implemented may be more restrictive than that of the relevant Sub-Fund.

A co-management agreement shall be signed between the SICAV, the Management Company, the Depositary, the Administrator and the Investment Manager in order to define each of the parties' rights and obligations. The Board of Directors of the SICAV may decide at any time and without notice to terminate the co-management arrangement.

Shareholders may at all times contact the registered office of the SICAV to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Annual and half-yearly reports shall state the co-managed Assets' composition and percentages.

## COUNTERPARTIES, COLLATERAL AND HAIRCUT POLICIES

### Securities Lending

In a securities lending transaction, a Sub-Fund temporarily transfers title of a security and associated rights and privileges to a borrower who is required to return the security on demand. The borrower, as the temporary legal owner of the security, will receive dividends, interest, corporate action rights etc., is required to “manufacture” all economic benefits back to the Sub-Fund. The payment, which is manufactured from the borrower to the Sub-Fund, effectively replaces the dividend or interest the Sub-Fund would have received had the security still been in its custodial account. The Sub-Fund maintains an economic interest in the lent security and remains exposed to the price fluctuations of the security as if it was still physically held in its custodial account. Under the contract between the Sub-Fund and the borrower, the Sub-Fund has the right to recall the security for any reason at any time, such as for the voting of shares at a general meeting of shareholders.

In return for lending out a security, the Sub-Fund receives collateral from the borrower, generally either in cash or liquid securities such as government bonds or equities. The margin levels (between the collateral value and the value of the lent securities) are “marked to market”, or valued, on a daily basis to ensure that the loan of securities is sufficiently collateralized at all times.

The Management Company on behalf of the Sub-Funds may engage in securities lending transactions either directly or through a lending agent which is a recognised clearing institution or a financial institution specialised in this type of transaction. Borrowers of securities lent by participating Sub-Funds are approved by the Management Company after appropriate assessment of the borrower’s status and financial standing.

The Board of Directors of the Management Company has approved securities lending programmes for participation by the Sub-Funds, pursuant to which, Deutsche Bank AG and Brown Brothers Harriman & Co. have been retained as securities lending agents for programmes dedicated to fixed income and equity securities respectively. For these services, the securities lending agents retain a fee from income derived from securities lending activity, including a fee based on the returns earned on the Sub-Fund’s investment of any cash received as collateral for the lent securities. Société Générale Bank & Trust, the Administrator of the Sub-Funds, receives a fee in respect of administrative services rendered in connection with the securities lending programmes. In addition, Pioneer Global Investments Limited, an affiliate of the Management Company, receives a fee to cover the administration work undertaken in respect of the monitoring and oversight of the securities lending programmes.

Any incremental income generated from securities lending transactions engaged on behalf of a Sub-Fund, after deduction of the fees mentioned above, is payable to that Sub-Fund. The net revenues of the Sub-Funds arising from securities lending transactions together with the direct and indirect operational costs and fees incurred will be published in the Sub-Funds’ annual report.

Where cash collateral is received by a Sub-Fund under a securities lending programme it may only be (i) placed on deposit with approved credit institutions, (ii) invested in high quality government bonds, (iii) used for reverse repurchase agreement transactions, provided the Sub-Fund is able to recall the cash full amount of the cash at any time; or (iv) invested in short-term money-market funds; and must be diversified in accordance with regulatory requirements.

The implementation of these securities lending programmes is not intended to have an impact on the risk profile of the participating Sub-Funds. However, certain risks specific to the activity of securities lending may arise and Shareholders should be aware of the risks which are outlined in the Special risk Considerations in Appendix III.

## Collateral Policy

Collateral obtained under an OTC financial derivative transaction, a repo contract or securities lending agreement must, inter alia, meet the following criteria:

- (i) Non-cash collateral should be sufficiently liquid and traded on a regulated market or multilateral trading facility with transparent pricing,
- (ii) The collateral should be valued on a daily basis,
- (iii) Collateral which exhibits high price volatility should not be accepted unless suitably conservative haircuts are in place,
- (iv) in terms of issuer credit quality the collateral received should be of high quality,
- (v) the collateral (including any re-invested cash collateral) must be sufficiently diversified in terms of country, markets and issuers,
- (vi) Non-cash collateral should not be sold, re-invested or pledged,
- (vii) The collateral received must be capable of being fully enforced at any time and should not be sold, re-invested or pledged.

Cash collateral may be:

- (i) Placed on deposit
- (ii) Invested in high quality government bonds,
- (iii) Used for reverse repo transactions under which the cash is recallable at any time,
- (iv) Invested in Short-Term Money Market Funds.

## Haircut Policies

### Securities Lending Programmes

The borrowers participating in the programme are required to post collateral to mitigate the credit risk. Securities on loan are collateralised at a minimum 105% for the equity programme and 100% for the fixed income programme. The Management Company determines what is eligible for use as collateral and currently operates a more restrictive collateral policy than that required by UCITS regulation. Both the securities lending agent and the Investment Manager monitor the collateral policy closely in the light of market events. Collateral is monitored and marked to market daily. Regular reporting is provided to the Management Company, Depository, Administrator, and Investment Manager. The Board of Directors of the Management Company is authorised to amend or remove the list of eligible collateral, changes to haircut policies or revise the list of authorised counterparties. In accordance with item 2. (C) e) of section "Investment Restrictions", any Sub-Fund may be fully collateralised in securities issued or guaranteed by US, Germany, France, Italy, Belgium, Holland//Netherlands, UK, Sweden, and other agreed Eurozone governments.

#### *Fixed Income Lending*

##### *Eligible Collateral*

OECD Government bonds,  
OECD Governments, Corporates Supranational bonds  
  
OECD listed equities

##### *Haircut*

At least 0%  
At least 0% or 3% if  
cross-currency  
at least 10%

#### *Equity Lending*

##### *Eligible Collateral*

Government debt of, France, Germany, Netherlands,  
Sweden, Switzerland, United States of America

##### *Haircut*

At least 5%

## OTC Financial Derivative Transactions

In the event that the counterparty risk linked to an OTC financial derivative transaction exceeds 10% in respect of credit institutions or 5% in other cases of the assets of a Sub-Fund, the relevant Sub-Fund shall cover this excess through collateral.

The counterparties to any OTC financial derivative transactions, such as total return swaps or other financial derivative instruments with similar characteristics, entered into by a Sub-Fund, are selected from a list of authorised counterparties established by the Management Company. The authorised counterparties are either Credit Institutions with a registered office in an EU Member State or an investment firm, authorised under the MiFID directive and subject to prudential supervision. The list of authorised counterparties may be amended with the consent of the Management Company.

Collateral is posted and received in order to mitigate the counterparty risk in OTC Financial Derivative Transactions. The Management Company determines what is eligible for use as collateral and currently operates a more restrictive collateral policy than that required by UCITS regulation. Typically, cash and government debt may be accepted as collateral for OTC financial derivative transactions. However, other securities permitted as collateral under Section II (b) of CSSF Circular 08/356 may be accepted, where agreed by the Management Company. Government debt may include, but is not limited to, US, Germany, France, Italy, Belgium, Holland/Netherlands, UK, Sweden, and other agreed Eurozone governments. In accordance with item 2. (C) e) of section “Investment Restrictions”, any Sub-Fund may be fully collateralised in securities issued or guaranteed by US, Germany, France, Italy, Belgium, Holland/Netherlands, UK, Sweden, and other agreed Eurozone governments.

Collateral is monitored and marked-to-market daily. Regular reporting is provided to the Management Company, Depositary, Administrator, and Investment Manager. The Board of Directors of the Management Company has established a list of authorised counterparties, eligible collateral, and haircut policies; and these may be revised or amended by the Management Company at any time.

Any haircuts applicable to collateral are agreed conservatively with each OTC financial derivative counterparty on a case by case basis. They will vary according to the terms of each collateral agreement negotiated and prevailing market practice and conditions.

The following guidance, in respect of acceptable levels of haircut for collateral in OTC transactions is applied by the Management Company: (the Management Company reserves the right to vary its practise at any time).

### *Collateral haircuts for the counterparty risk calculation*

<b>Collateral Instrument Type</b>	<b>Exposure in same Currency as Derivative</b>	<b>Exposure in Currency other than that of Derivative</b>
Cash	0%	10%
Government Bonds	10%*	15%*
Non Government Bonds	15%	20%
Others	20%	20%

\*These may vary depending on the maturity period of the security.

Exceptions to the above haircuts may apply where a ratings criteria has been set against the collateral.

Contracts with counterparties generally set threshold amounts of unsecured credit exposure that the parties are prepared to accept before asking for collateral. These usually range from euro 0 to 10 million. Minimum transfer amounts, often in the range of euro 250 - 1 million, are set to avoid unnecessary costs involved in small transfers.

## **MANAGEMENT AND ADMINISTRATION**

### **Management Company**

Pioneer Asset Management S.A. (the “Management Company”), a company incorporated in the Grand Duchy of Luxembourg belonging to the UniCredit Banking Group, organised under chapter 15 of the Law of 17 December 2010 has been appointed as management company of the SICAV. Its share capital amounts to euro 10,000,000.00.- and its shares are fully owned by Pioneer Global Asset Management S.p.A., which is itself fully owned by UniCredit S.p.A. The Management Company currently also acts as management company for Pioneer Funds, Pioneer Institutional Funds, Pioneer S.F., Pioneer Institutional Solutions, Pioneer Investments Ertrag, Pioneer Investments Chance, Pioneer Investments Wachstum, Pioneer Investments Total Return, CoRe Series, myNEXT, Pioneer SICAV, Pioneer Solutions SICAV and ASB Axion SICAV.

The Management Company was incorporated on 20 December 1996 for an unlimited period of time. Its Articles of Incorporation were published in the Mémorial of 28 January 1997 and were most recently amended on 4 October 2013, with publication in the Mémorial dated 30 October 2013.

### **Depositary and Paying Agent**

Société Générale Bank & Trust has been appointed as depositary (the “Depositary”) of the SICAV’s assets. Further, in accordance with the Law of 17 December 2010 the Depositary will:

- (a) ensure that the sale, issue, redemption, conversion and cancellation of Shares effected on behalf of the SICAV are carried out in accordance with applicable law and the Articles;
- (b) ensure that in transactions involving the assets of the SICAV any consideration is remitted to it within the customary settlement dates; and
- (c) ensure that the income attributable to the SICAV is applied in accordance with the Articles.

The SICAV has appointed the Depositary as its paying agent (the “Paying Agent”) responsible, upon instruction by the Registrar and Transfer Agent, for the payment of distributions, if any, to Shareholders of the SICAV and, if any, for the payment of the redemption price by the SICAV.

The Depositary is a Luxembourg *Société Anonyme* and is registered with the Regulatory Authority as a credit institution.

### **Administrator**

The Management Company has appointed Société Générale Bank & Trust as administrator of the SICAV (the “Administrator”) responsible for all administrative duties required by Luxembourg law, in particular book-keeping and the calculation of the Net Asset Value.

### **Distributor/Domiciliary Agent**

The Management Company is appointed as distributor (the “Distributor”) to market and promote the Shares of each Sub-Fund.

The Distributor may conclude agreements with other Agents, including Agents or affiliated with the Investment Manager(s) or the Depositary, to market and place Shares of any of the Sub-Funds in various

countries throughout the world except in the United States of America or any of its territories or possessions subject to its jurisdiction as well as for connected processing services.

The Distributor and its Agents may be involved in the collection of subscription, redemption and conversion orders on behalf of the SICAV and the Agents may, subject to local law in countries where Shares are offered and with the agreement of the respective Shareholders, provide a nominee service to investors purchasing Shares through them.

Agents may only provide a nominee service to investors if they are (i) professionals of the financial sector located in a country which, subject to the discretion of the Management Company, is generally accepted as a country which has ratified the conclusions of the Financial Action Task Force and deemed to have identification requirements equivalent to those required by Luxembourg law or (ii) professionals of the financial sector being a branch or qualifying subsidiary of an eligible intermediary referred to under (i), provided that such eligible intermediary is, pursuant to its national legislation or by virtue of a statutory or professional obligation pursuant to a group policy, obliged to impose the same identification duties on its branches and subsidiaries situated abroad.

In this capacity, the Agents shall, in their name but as nominee for the investor, purchase or sell Shares for the investor and request registration of such operations in the SICAV's register. However, the investor may, subject as provided below, invest directly in the SICAV without using the nominee service and if the investor does invest through a nominee, he has at any time the right to terminate the nominee agreement and retain a direct claim to his Shares subscribed through the nominee. This is not applicable for Shareholders solicited in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Distributor and, if appropriate, the Agents, shall, to the extent required by the Registrar and Transfer Agent in Luxembourg, forward application forms to the Registrar and Transfer Agent.

The Management Company is also appointed as domiciliary agent for the SICAV (the "Domiciliary Agent").

### **Registrar and Transfer Agent**

The Management Company has appointed, Société Générale Bank & Trust as the registrar (the "Registrar") and transfer agent of the SICAV (the "Transfer Agent"). The Registrar and Transfer Agent is responsible for handling the processing of subscriptions for Shares of the SICAV, dealing with requests for redemption and conversion of Shares of the SICAV and accepting transfers of funds, safekeeping the register of Shareholders of the SICAV and providing and supervising the mailing of statements, reports, notices and other documents to the Shareholders of the SICAV.

The appointment of the Registrar and Transfer Agent was made pursuant to a Registrar and Transfer Agent Agreement between the Management Company, the SICAV and the Registrar and Transfer Agent, for an unlimited period of time from the date of its signature. It may be terminated at any time by either party upon three months notice.

### **Investment Manager**

The Management Company has appointed Pioneer Investment Management Limited as investment manager (the "Investment Manager") to the SICAV.

The Investment Manager shall provide the Management Company and the Board of Directors with advice, reports and recommendations in connection with the management of the SICAV, and shall advise the

Management Company as to the selection of the securities and other assets constituting the portfolio of each Sub-Fund. The Investment Manager shall, on a day-to-day basis and subject to the overall control and ultimate responsibility of the board of directors of the Management Company, purchase and sell securities and otherwise manage the SICAV's portfolio and may, with the approval of the Management Company, sub-delegate all or part of their functions hereunder, in which case this Prospectus shall be amended.

Pioneer Investment Management Limited is a Dublin based asset management company of the Pioneer Global Asset Management S.p.A. group of companies. Pioneer Investment Management Limited, Dublin was incorporated on 12 June, 1998 and had euro 109 billion of assets under management at 31 December 2014. Pioneer Investment Management Limited is regulated by the Central Bank of Ireland under SI No 60 of 2007 European Communities (Markets in Financial Instruments) Regulations 2007.

### **Sub-Investment Manager(s)**

The Investment Manager(s) may appoint sub-investment manager(s) (the "Sub-Investment Manager(s)") to assist them in the management of some Sub-Funds. The Prospectus will be updated upon appointment of any Sub-Investment Manager.

The Sub-Investment Manager(s) have discretion, on a day to day basis and subject to the overall control and responsibility of the relevant Investment Manager to arrange purchase and sell securities and otherwise to manage all or part of the portfolio of the relevant Sub-Funds.

## **OVERVIEW**

### **Registered Office of the SICAV**

8-10, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg.

### **Board of Directors of the SICAV**

#### Chairman:

- Mr. Enrico TURCHI, Managing Director, Pioneer Asset Management S.A., residing in Luxembourg;

#### Members:

- Mr. David GLASSEY, Head of Legal Luxembourg/International Product, Pioneer Investment Management Ltd, residing in Ireland;
- Mr. Marco ATZENI, Chief of Staff for Multi-Asset Investments, Pioneer Investment Management SGRpA, residing in Italy.

### **Management Company, Domiciliary Agent and Distributor**

Pioneer Asset Management S.A.  
8-10, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg.

### **Board of Directors of the Management Company**

#### Chairman:

- Mr. Patrick ZURSTRASSEN, member of the board of directors of various fund management companies, residing in Luxembourg.

#### Members:

- Mr. David HARTE, Global Head of Investment Operations, Pioneer Investment Management Limited, residing in Ireland;
- Mr. John LI, Independent Director of various companies including funds and other financial sector companies, residing in Luxembourg;
- Mrs. Corinne MASSUYEAU, Head of Sales Management – International & Western Europe, Pioneer Global Investments Limited, residing in France;
- Mr. Claude KREMER, Partner of Arendt & Medernach, residing in Luxembourg; and
- Mr. Enrico TURCHI, Managing Director, Pioneer Asset Management S.A., residing in Luxembourg.

### **Depositary and Paying Agent**

Société Générale Bank & Trust  
11, Avenue Emile Reuter  
L-2420 Luxembourg  
Grand Duchy of Luxembourg.

### **Administrator and Registrar and Transfer Agent**

Société Générale Bank & Trust  
Operational Center:  
28-32, Place de la gare  
L-1616 Luxembourg  
Grand Duchy of Luxembourg.

### **Investment Manager**

Pioneer Investment Management Limited  
1, George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland.

### **Auditors of the SICAV and Statutory Auditors of the Management Company**

Deloitte Audit S.à r.l.  
560 rue de Neudorf  
L-2220 Luxembourg  
Grand Duchy of Luxembourg.

### **Legal Advisors**

Arendt & Medernach  
41A, avenue J.F. Kennedy  
L-2082 Luxembourg  
Grand Duchy of Luxembourg.

## LEGAL & TAX CONSIDERATIONS

Luxembourg law governs the SICAV.

Investors should note that all the regulatory protections provided by their local regulatory authority may not apply. Investors should consult their personal financial adviser for further information in this regard.

Investment in the SICAV may involve legal requirements, foreign exchange restrictions and tax considerations unique to each investor. The SICAV makes no representations with respect to whether any Shareholder is permitted to hold such Shares. Prospective investors should consult their own legal and tax advisers regarding such considerations prior to making an investment decision.

### Luxembourg Tax Considerations

#### General

The following general summary is based on the laws in force in Luxembourg on the date of this Prospectus and is subject to any future change in law or practice. The summary is provided solely for preliminary information purposes and is not intended as a comprehensive description of all of the tax considerations that may be relevant to a prospective investor or to any transactions in Shares of the SICAV and is not intended to be nor should it be construed as legal or tax advice. Investors should consult their professional advisers as to the effects of the laws of their countries of citizenship, establishment, domicile or residence or any other jurisdiction to which the investor may be subject to tax. Investors should be aware that income or dividends received or profits realized may lead to an additional taxation in those jurisdictions. Investors should consult their tax adviser to determine to what extent, if any, their jurisdiction of domicile or any other applicable jurisdiction will subject such Shareholder to tax.

#### The SICAV

Under the current laws of Luxembourg, the SICAV is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% *per annum* of its net asset value, payable quarterly on the basis of the net assets of the SICAV at the end of a calendar quarter.

However, a reduced tax rate of 0.01% applies where a Sub-Fund invests exclusively in money market instruments or deposits with credit institutions, or where the Shares or Class of Shares of the Sub-Fund are reserved to one or more institutional investors.

The following exemptions from subscription tax (*taxe d'abonnement*) are applicable:

- where the Sub-Fund invests in units or shares of another UCI to the extent that such other UCI has already been subject to a subscription tax (*taxe d'abonnement*);
- where Share Classes of Sub-Funds (i) are sold to institutional investors, (ii) the Sub-Fund invests exclusively in money market instruments or deposits with credit institutions, (iii) the weighted residual portfolio maturity does not exceed 90 days, and (iv) the Sub-Fund has obtained the highest possible rating from a recognised rating agency; or
- where Share Classes of Sub-Funds are reserved for (i) institutions incorporated for occupational retirement provision, or similar investment vehicles, created as part of the same group for the benefit of its employees or for (ii) undertakings of a group mentioned in (i) investing monies held by them to provide retirement benefits to their employees.

**Withholding tax**

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the SICAV to its Shareholders in relation to the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

**VAT**

In Luxembourg, regulated investment funds have the status of taxable persons for value added tax (“VAT”) purposes. Accordingly, the SICAV is considered in Luxembourg as a taxable person for VAT purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the SICAV could potentially trigger VAT and require the VAT registration of the SICAV in Luxembourg. As a result of such VAT registration, the SICAV will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises, in principle, in Luxembourg in respect of any payments by the SICAV to the Shareholders, to the extent such payments are linked to their subscription to the SICAV’s Shares and do not constitute consideration received for taxable services supplied.

## **SPECIFIC RESTRICTIONS ON OFFERING**

### **Distribution in the United States**

The SICAV is not offering Shares either (i) in the United States or (ii) to, or for the account or benefit of, any person that is (A) a “U.S. person” as defined in Regulation S under the United States Securities Act of 1933, as amended, (B) not a “Non-United States Person” as defined in Rule 4.7 under the U.S. Commodity Exchange Act, as amended, (C) a “United States person” as defined in Section 7701(a)(30) of the United States Internal Revenue Code, as amended or (D) a “U.S. Person” as defined in the Further Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, as promulgated by the United States Commodity Futures Trading Commission, 78 Fed. Reg. 45292 (26 July 2013), as may be amended, (any person referred to in any of (A), (B), (C) or (D), a “Restricted U.S. Investor”). Neither the Securities and Exchange Commission (“SEC”) nor any other federal or state regulatory authority has passed on or endorsed the merits of this offering or the accuracy of adequacy of this Prospectus. This document may not be delivered to any prospective investor in the United States or to any Restricted U.S. Investor. This Prospectus is being given to the recipient solely for the purpose of evaluating the investment in the Shares described herein. All subscribers for Shares will be required to represent that they are not, and are not subscribing for Shares for the account or benefit of, a Restricted U.S. Investor. If the SICAV determines that any Shares are held by, or for the account or benefit of, a Restricted U.S. Investor, the SICAV will direct the Registrar and Transfer Agent of the SICAV to redeem those Shares on a compulsory basis.

The investor is not, and is not subscribing for Shares for the account or benefit of, a person that is a Restricted U.S. Investor. The investor is required to notify the SICAV, the Management Company or its agents immediately if the investor either becomes a Restricted U.S. Investor or holds Shares for the account or benefit of a Restricted U.S. Investor and any Shares held by or for the account of the investor shall be subject to compulsory redemption.

### **General Distribution**

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors, may be restricted or prohibited by law. Investors should note that some Sub-Funds and/or Classes of Shares may not be available to all investors. Their financial advisor can give them information about which Sub-Funds and/or Classes of Shares are offered in their country of residence.

## **GENERAL INFORMATION ON THE SICAV**

### **Shareholder meetings and Reports to Shareholders**

#### *Meetings*

The Annual General Meeting of Shareholders of the SICAV takes place in Luxembourg at a place specified in the notice of meeting each year on the last Friday of April at 11:30 hours CET or if such day is not a Business Day, on the next Business Day.

Notice of all general meeting of Shareholders shall be sent by post to registered Shareholders at least 8 days prior to the meeting and shall be published in a Luxembourg newspaper to the extent and in the manner required by Luxembourg law and in such other newspapers as shall be determined by the Board of Directors. The legal requirements as to notice, quorum and voting at all general and Sub-Fund or Class meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only and may be held at any time.

Any amendment to the Articles shall be filed with the Luxembourg Trade and Companies' Register and published in the Mémorial C.

#### *Reports*

The accounting year of the SICAV ends on 31 December of each year. The first accounting year of the SICAV will commence on the incorporation date of the SICAV and terminate on 31 December 2014. The SICAV will publish a semi-annual report drawn up as at 30 June and for the first time as at 30 June 2015.

Detailed audited reports of the SICAV on its activities and on the management of its assets are published annually; such reports shall include, *inter alia*, a statement of assets and liabilities, a detailed income and expenditure account for the financial year, the number of Shares in issue and the Net Asset Value per Share, a report on the activities of the financial year, a description of the assets of the SICAV and a report from the Independent Auditor. The semi-annual unaudited reports of the SICAV on its activities are also published including, *inter alia*, a description of the assets of the SICAV and the number of Shares issued and redeemed since the last publication.

The SICAV's financial statements will be prepared in accordance with Luxembourg GAAP. The accounts of the SICAV are maintained in Euro being the Reference Currency of the SICAV.

The first annual report will be drawn up for the year terminating 31 December 2014. The above reports will be available to the Shareholders within four months for the annual reports and two months for the semi-annual reports of the date thereof at the registered office of the SICAV. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the SICAV. All these reports are also made available to Shareholders on the website of the Management Company at [pioneerinvestments.eu](http://pioneerinvestments.eu).

### **Shareholder rights**

a) Shares: The Shares issued by the SICAV are freely transferable and entitled to participate equally in the profits, and, in case of Distribution Shares, dividends of the Classes to which they relate, and in the net assets of such Class upon liquidation. The Shares carry no preferential and pre-emptive rights.

b) Voting: At general meetings of the SICAV, each Shareholder has the right to one vote for each whole Share held. A Shareholder of any particular Sub-Fund or Class will be entitled at any separate meeting of the Shareholders of that Sub-Fund or Class to one vote for each whole Share of that Sub-Fund or Class held. In the case of a joint holding, only the first named Shareholder may vote.

c) Compulsory redemption: The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the SICAV including a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold. If it shall come to the attention of the Directors at any time that Shares are beneficially owned by a United States Person, the SICAV will have the right compulsorily to redeem such Shares.

### **Transfers**

The transfer of registered Shares may be effected by delivery to the Registrar and Transfer Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant certificate to be cancelled.

### **Dissolution and Liquidation of the SICAV**

The SICAV may be dissolved at any time by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the SICAV shall be referred to a general meeting of Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the votes validly cast at such meeting.

The question of the dissolution of the SICAV shall also be referred to a general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one quarter of the Shares present or represented at the meeting and voting.

The meeting must be convened so that it is held within a period of 40 days from the date that the net assets have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the CSSF and appointed by the general meeting of Shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of the SICAV shall be distributed by the liquidators to the holders of Shares of each Class in proportion to their holding of such Class.

Should the SICAV be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with applicable provisions of Luxembourg law. Luxembourg law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides for a deposit in escrow at the “*Caisse de Consignation*” at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be forfeited in accordance with the provisions of Luxembourg law.

## **Closure of Sub-Funds (or Classes thereof)**

### *Closure decided by the Directors*

In the event that for any reason the value of the total net assets in any Sub-Fund or Class has not reached or has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class to be operated in an economically efficient manner, or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the Board of Directors may decide to redeem all the Shares of the relevant Sub-Fund or Class at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund or Class.

The SICAV shall serve a written notice to the Shareholders of the relevant Class prior to the effective date for the compulsory redemption. This notice will indicate the reasons and the procedure for the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

### *Closure decided by the Shareholders*

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of Shareholders of any Class may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the votes validly cast at such meeting.

Assets which are not be distributed to Shareholders upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto. All redeemed Shares shall be cancelled.

## **Mergers**

### *Mergers decided by the Board of Directors*

#### At the SICAV level:

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 17 December 2010) of the SICAV, either as receiving or absorbed UCITS, with:

- another existing or new Luxembourg or foreign UCITS (the “New UCITS”); or
- a sub-fund thereof,

and, as appropriate, to redesignate the Shares of the SICAV concerned as Shares of this New UCITS, or of the relevant sub-fund thereof as applicable.

In case the SICAV involved in a merger is the receiving UCITS (within the meaning of the Law of 17 December 2010), solely the Board of Directors will decide on the merger and effective date thereof.

In the case the SICAV involved in a merger is the absorbed UCITS (within the meaning of the Law of 17 December 2010), and hence ceases to exist, the general meeting of the Shareholders, rather than the Board

of Directors, has to approve, and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the Law of 17 December 2010, in particular concerning the merger project and the information to be provided to the Shareholders.

At the Sub-Funds level:

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 17 December 2010) of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another existing or new Sub-Fund within the SICAV or another sub-fund within a New UCITS (the “New Sub-Fund”); or
- a New UCITS,

and, as appropriate, to redesignate the Shares of the Sub-Fund concerned as Shares of the New UCITS, or of the New Sub-Fund as applicable.

Such a merger shall be subject to the conditions and procedures imposed by the Law of 17 December 2010, in particular concerning the merger project and the information to be provided to the Shareholders.

*Mergers decided by the Shareholders*

At the SICAV level:

Notwithstanding the powers conferred to the Board of Directors by the preceding section, a merger (within the meaning of the Law of 17 December 2010) of the SICAV, either as receiving or absorbed UCITS, with:

- a New UCITS; or
- a sub-fund thereof,

may be decided by a general meeting of the Shareholders for which there shall be no quorum requirement and which will decide on such a merger and its effective date by a resolution adopted at a simple majority of the votes validly cast at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the Law of 17 December 2010, in particular concerning the merger project and the information to be provided to the Shareholders.

At the Sub-Funds level:

The general meeting of the Shareholders of a Sub-Fund may also decide a merger (within the meaning of the Law of 17 December 2010) of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any New UCITS; or
- a New Sub-Fund.

by a resolution adopted with no quorum requirement at a simple majority of the votes validly cast at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the Law of 17 December 2010, in particular concerning the merger project and the information to be provided to the Shareholders.

General

Shareholders will in any case be entitled to request, without any charge other than those retained by the SICAV or the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the provisions of the Law of 17 December 2010.

A Sub-Fund may also absorb a UCI or a sub-fund thereof in compliance with the applicable law, either by decision of the Board of Directors or of the general meeting of the Shareholders.

### **Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the SICAV and the Shares are set out in section "Overview" above.

The Directors or companies of which they are shareholders, members, officers or employees may subscribe for, exchange or redeem, Shares on the same terms as other Shareholders.

### **Indemnity**

The Articles provide that every Director, agent, auditor, or officer of the SICAV and his personal representatives shall be indemnified and secured harmless out of the assets of the SICAV against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in or about the conduct of the SICAV business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the SICAV in any court whether in Luxembourg or elsewhere. No such person shall be liable: (i) for the acts, receipts, neglects, defaults or omissions of any other such person; or (ii) by reason of his having joined in any receipt for money not received by him personally; or (iii) for any loss on account of defect of title to any property of the SICAV; or (iv) on account of the insufficiency of any security in or upon which any money of the SICAV shall be invested; or (v) for any loss incurred through any bank, broker or other agent; or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own gross negligence or wilful misconduct against the SICAV.

### **Documents Available**

Copies of the following documents may be obtained free of charge during usual business hours on any full bank Business Day in Luxembourg at the registered office of the SICAV:

- A. the Articles and any amendments thereto;
- B. the Prospectus, the key investor information documents and the application form for Shares of the SICAV;
- C. the Management Company Agreement between the SICAV and the Management Company;
- D. the Depositary Agreement between the SICAV and the Depositary;
- E. the Administration Agreement between the Management Company and the Administrator; and
- F. the latest annual and semi-annual reports and accounts of the SICAV referred to under the heading "Shareholder Meetings and Reports to Shareholders".

## APPENDIX I: SHARE CLASSES

### CLASS A

	Class A	Sales Charge	Management Fee	Distribution Fee	Performance fee Percentage of the relevant amount
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	Max. 5.00%	1.20%	0%	n/a
2.	Balanced	Max. 5.00%	1.20%	0%	n/a
3.	Diversified Growth	Max. 5.00%	1.40%	0%	n/a
4.	Diversified Income	Max. 5.00%	1.40%	0%	n/a
5.	Diversified Alpha	Max. 5.00%	1.00%	0%	5%

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS B

	Class B	Sales Charge	Management Fee	Distribution Fee	Performance fee Percentage of the relevant amount
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	0% <sup>1</sup>	1.20%	1.50%	n/a
2.	Balanced	0% <sup>1</sup>	1.20%	1.50%	n/a
3.	Diversified Growth	0% <sup>1</sup>	1.40%	1.50%	n/a
4.	Diversified Income	0% <sup>1</sup>	1.40%	1.50%	n/a
5.	Diversified Alpha	0% <sup>1</sup>	1.00%	1.50%	5%

Note 1: Deferred sales charge of 4% maximum, decreasing to zero over a 4 year period post investment

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS C

	Class C	Sales Charge	Management Fee	Distribution Fee	Performance fee Percentage of the relevant amount
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	0% <sup>1</sup>	1.20%	1.00%	n/a
2.	Balanced	0% <sup>1</sup>	1.20%	1.00%	n/a
3.	Diversified Growth	0% <sup>1</sup>	1.40%	1.00%	n/a
4.	Diversified Income	0% <sup>1</sup>	1.40%	1.00%	n/a
5.	Diversified Alpha	0% <sup>1</sup>	1.00%	1.00%	5%

Note 1: Deferred sales charge of 1% maximum, decreasing to zero over one year period post investment

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS D

	<b>Class D</b>	<b>Sales Charge</b>	<b>Management Fee</b>	<b>Distribution Fee</b>	<b>Performance fee Percentage of the relevant amount</b>
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	1.00%	1.20%	1.00%	n/a
2.	Balanced	1.00%	1.20%	1.00%	n/a
3.	Diversified Growth	1.00%	1.40%	1.00%	n/a
4.	Diversified Income	1.00%	1.40%	1.00%	n/a
5.	Diversified Alpha	1.00%	1.00%	1.00%	5%

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS E

	<b>Class E</b>	<b>Sales Charge</b>	<b>Management Fee</b>	<b>Distribution Fee</b>	<b>Performance fee Percentage of the relevant amount</b>
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	Max. 4.00%	1.20%	0%	n/a
2.	Balanced	Max. 4.00%	1.20%	0%	n/a
3.	Diversified Growth	Max. 4.00%	1.40%	0%	n/a
4.	Diversified Income	Max. 4.00%	1.40%	0%	n/a
5.	Diversified Alpha	Max. 4.00%	1.00%	0%	5%

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS F

	<b>Class F</b>	<b>Sales Charge</b>	<b>Management Fee</b>	<b>Distribution Fee</b>	<b>Performance fee Percentage of the relevant amount</b>
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	0%	1.80%	0%	n/a
2.	Balanced	0%	1.80%	0%	n/a
3.	Diversified Growth	0%	2.10%	0%	n/a
4.	Diversified Income	0%	2.10%	0%	n/a
5.	Diversified Alpha	0%	1.50%	0%	5%

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS H

	<b>Class H</b>	<b>Sales Charge</b>	<b>Management Fee</b>	<b>Distribution Fee</b>	<b>Performance fee Percentage of the relevant amount</b>
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	Max. 2.00%	0.75%	0%	n/a
2.	Balanced	Max. 2.00%	0.75%	0%	n/a
3.	Diversified Growth	Max. 2.00%	0.85%	0%	n/a
4.	Diversified Income	Max. 2.00%	0.85%	0%	n/a
5.	Diversified Alpha	Max. 2.00%	0.70%	0%	5%

Minimum subscription 1 Million euro

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS I

	<b>Class I</b>	<b>Sales Charge</b>	<b>Management Fee</b>	<b>Distribution Fee</b>	<b>Performance fee Percentage of the relevant amount</b>
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	0%	0.55%	0%	n/a
2.	Balanced	0%	0.55%	0%	n/a
3.	Diversified Growth	0%	0.65%	0%	n/a
4.	Diversified Income	0%	0.65%	0%	n/a
5.	Diversified Alpha	0%	0.50%	0%	5%

Minimum subscription 10 Million euro

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS J

	<b>Class J</b>	<b>Sales Charge</b>	<b>Management Fee</b>	<b>Distribution Fee</b>	<b>Performance fee Percentage of the relevant amount</b>
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	0%	Max. 0.55%	0%	n/a
2.	Balanced	0%	Max. 0.55%	0%	n/a
3.	Diversified Growth	0%	Max. 0.65%	0%	n/a
4.	Diversified Income	0%	Max. 0.65%	0%	n/a
5.	Diversified Alpha	0%	Max. 0.50%	0%	5%

Minimum subscription 30 Million euro

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

## CLASS N

	Class N	Sales Charge	Management Fee	Distribution Fee	Performance fee Percentage of the relevant amount
	<b>Multi-Asset Sub-Funds</b>				
1.	Conservative	0%	0.60%	0%	n/a
2.	Balanced	0%	0.60%	0%	n/a
3.	Diversified Growth	0%	0.70%	0%	n/a
4.	Diversified Income	0%	0.70%	0%	n/a
5.	Diversified Alpha	0%	0.60%	0%	5%

Investors should refer to section “Fees, Charges and Expenses” of this Prospectus for a more complete description of charges that may be borne by investors or by the Fund.

**APPENDIX II: BENCHMARKS/HURDLES FOR PERFORMANCE FEE PURPOSES**

<b>Sub-Fund</b>	<b>Benchmark/Hurdle for performance fee purposes</b>	<b>Currency for performance fee calculations</b>
<b>Multi-Asset Sub-Funds</b>		
Diversified Alpha	Euro OverNight Index Average (“EONIA”))	EUR

## **APPENDIX III: SPECIAL RISK CONSIDERATIONS**

Special risk considerations exist for some Sub-Funds. Investment in certain assets involves a greater degree of risk than is usually associated with investment in the securities of other major securities markets. Potential investors should consider the following risks before investing in any of the Sub-Funds.

This section is intended to inform potential investors about the risks associated with investments in financial instruments. In general, they should be aware that the price and value of the Shares may fall as well as rise and that they may not recover the full amount invested. Past performance cannot be considered as a guide to future performance; returns are not guaranteed and a loss of the capital invested may occur.

### **1. Emerging Markets risks**

In certain countries, there is the possibility of seizure 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. Legal 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. 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, 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, a government obligor may default on its obligations. If such an event occurs, the SICAV 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. 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 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 SICAV 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 SICAV 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. Compensation schemes may be non-existent or limited or inadequate to meet the SICAV'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 owning such property may be subject to increased risk.

Investments in Russia are 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 Depositary). No certificates representing ownership of Russian companies will be held by the Depositary 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 SICAV 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. Investments in Transferable Securities and Money Market Instruments which are not listed on stock exchanges or traded on a Regulated Market or on an Other Regulated Market in a Member or Other State within the meaning of the Law of 17 December 2010 which include Russian Transferable Securities and Money Market Instruments may not exceed 10% of the assets of the relevant Sub-Funds. The Russian markets might indeed be exposed to liquidity risks, and liquidation of assets could therefore sometimes be lengthy or difficult. However, investments in Transferable Securities and Money Market Instruments which are listed or traded on the Russian Trading System and the Moscow Interbank Currency Exchange are not limited to 10% of the assets of the relevant Sub-Funds as such markets are recognized as Regulated Markets.

The Russian Trading System was established in 1995 to consolidate separate regional securities trading floors into a unified regulated Russian securities market. It lists in particular leading Russian securities. The Russian Trading System establishes market prices for a wide range of stocks and bonds. The trading information is distributed worldwide through financial information services companies, such as Reuters and Bloomberg.

The Moscow Interbank Currency Exchange serves as a basis for the nationwide system of trading in the currency, stocks and derivatives sectors of the financial market, covering Moscow and Russia's largest financial and industrial centres. Jointly with its partners the MICEX-RTS Group (the MICEX-RTS Stock Exchange, the MICEX-RTS Settlement House, the National Depositary Center, regional exchanges and other), the MICEX-RTS provides settlement and clearing as well as depositary services for about 1500 organisations and participants in the stock market.

Frontier Market countries generally have smaller economies and even less developed capital markets than traditional Emerging Markets, and, as a result, the risks of investing in Emerging Markets are magnified in Frontier Market countries. This is the result of many factors, including the potential for extreme price volatility and illiquidity; government ownership or control of parts of the private sector and certain companies; relatively new or undeveloped securities regulations; corruption; transparency, adequacy and reliability of financial information; trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which the Frontier Markets trade. There are a limited number of attractive investment opportunities in Frontier

Markets and this may lead to delay in investment and may increase the price at which such investments may be made and reduce potential investment returns for a Sub-Fund.

A Sub-Fund may also gain exposure to Frontier Markets by investing indirectly through Participatory Notes (“P-Notes”) which presents additional risk to the Sub-Fund as the use of P-Notes is uncollateralised resulting in the Sub-Fund being subject to full counterparty risk via the P-Note issuer. P-Notes also present liquidity issues as the Sub-Fund, being a captive client of a P-Note issuer, may only be able to realise its investment through the P-Note issuer and this may have a negative impact on the liquidity of the P-Notes which does not correlate to the liquidity of the underlying security. The Management Company considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored for each Sub-Fund and reported on by the Investment Manager. The Management Company monitors the implementation and results of the investment process with the Investment Manager.

Finally, certain Sub-Funds may invest in bonds from countries which are now negotiating, or may in the future, negotiate accession to the EU, whose creditworthiness is usually lower than of government bonds issued by countries already belonging to the EU, but that can be expected to pay a higher coupon.

## **2. Investment in high yield or sub-Investment Grade securities**

Some Sub-Funds may invest in high yield or sub-Investment Grade securities. Investment in such higher yielding securities is speculative as it generally entails increased credit and market risk. Such securities are subject to the risk of an issuer’s inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

## **3. Foreign exchange/currency risk**

Although different Classes of Shares may be denominated in a specific Pricing Currency, the assets relating to that Class of Shares may be invested in securities denominated in other currencies. The Net Asset Value of the Sub-Fund as expressed in its Base Currency will fluctuate in accordance with the changes in the foreign exchange rate between the Base Currency of the Sub-Fund and the currencies in which the Sub-Fund’s investments are denominated. The Sub-Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

Investment or Sub-Investment Managers may enter into currency transactions (in accordance with section “Investment Restrictions”) at their sole discretion, for the purposes of efficient portfolio management and for the purposes of hedging. There can be no assurance that such hedging transactions will be effective or beneficial or that there will be a hedge in place at any given time.

## **4. Investment in currencies**

Sub-Funds investing in currencies as a primary objective will seek to exploit the fluctuations in international currencies, through the use of foreign currency and interest rate derivatives. This means that a greater than normal currency risk may arise. In the short-term this may take the form of large, unpredictable fluctuations in the share price and in the long-term in a negative performance due to unforeseen currency or market trends.

## **5. Market risk**

Some of the stock exchanges, Regulated Markets and Other Regulated Markets on which a Sub-Fund may invest may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the timing and price at which a Sub-Fund may liquidate positions to meet redemption requests or other funding requirements.

## **6. Investment in mortgage-related securities and in asset-backed securities**

Certain Sub-Funds may invest in mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities. Mortgage pass-through securities are securities representing interests in “pools” of mortgages in which payments of both interest and principal on the securities are made monthly, in effect “passing through” monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by the Sub-Funds (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the Sub-Funds reinvest such principal. In addition, as with callable fixed-income securities generally, if the Sub-Funds purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline the value of a mortgage-related security generally will decline, or increase but not as much as other fixed-income, fixed-maturity securities which have no prepayment or call features.

Payment of principal and interest on some mortgage pass-through securities (but not the market value of the securities themselves) may be guaranteed by the U.S. Government, or by agencies or instrumentalities of the U.S. Government (which guarantees are supported only by the discretionary authority of the U.S. Government to purchase the agency’s obligations). Certain mortgage pass-through securities created by non-governmental issuers may be supported by various forms of insurance or guarantees, while other such securities may be backed only by the underlying mortgage collateral.

Some Sub-Funds may invest in collateralised mortgage obligations (“CMOs”), which are structured products backed by underlying pools of mortgage pass-through securities. Similar to a bond, interest and prepaid principal on a CMO are paid, in most cases, monthly. CMOs may be collateralised by whole residential or commercial mortgage loans but are more typically collateralised by portfolios of residential mortgage pass-through securities guaranteed by the U.S. Government or its agencies or instrumentalities. CMOs are structured into multiple classes, with each class having a different expected average life and/or stated maturity. Monthly payments of principal, including prepayments, are allocated to different classes in accordance with the terms of the instruments, and changes in prepayment rates or assumptions may significantly affect the expected average life and value of a particular class.

Some Sub-Funds may invest in principal-only or interest-only stripped mortgage-backed securities. Stripped mortgage-backed securities have greater volatility than other types of mortgage-related securities. Stripped mortgage-backed securities which are purchased at a substantial premium or discount generally are extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the related underlying mortgage assets, and a sustained higher or lower than expected rate of principal payments may have a material adverse effect on such securities’ yield to duration. In addition, stripped mortgage securities may be less liquid than other securities which do not include such a structure and are more volatile if interest rates move unfavourably.

As new types of mortgage-related securities are developed and offered to investors, the Investment Manager will consider making investments in such securities, provided they are dealt in on a recognised exchange.

Asset-backed Transferable Securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Finally these Sub-Funds may invest in collateralised loans obligations (“CLOs”) with an underlying portfolio composed of loans.

## **7. Structured products**

Sub-Funds may invest in structured products. These include interests in entities organised solely for the purpose of restructuring the investment characteristics of certain other investments. These investments are purchased by the entities, which then issue Transferable Securities (the structured products) backed by, or representing interests in, the underlying investments. The cash flow on the underlying investments may be apportioned among the newly issued structured products to create Transferable Securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions. The extent of the payments made with respect to structured investments depends on the amount of the cash flow on the underlying investments.

Some Sub-Funds may also acquire, when it is in the best interests of their Shareholders, credit linked notes issued by first class financial institutions.

The use of credit-linked notes can overcome problems and mitigate certain risks associated with direct investment in the underlying assets.

Credit linked notes referenced to underlying securities, Instruments, baskets or indices, which a Sub-Fund may hold, are subject to both issuer risk and the risk inherent in the underlying investment.

When such credit linked notes will be traded on Regulated Markets, the Sub-Fund will comply with the investment limits described in section “Investment Restrictions”. Should such credit linked notes be not traded on Regulated Markets, they would be treated as equivalent to Transferable Securities as further described in such section.

The investment limits will equally apply to the issuer of such Instrument and to the underlying asset.

Sub-Funds may also invest in indexed securities which are Transferable Securities linked to the performance of certain securities, indices, interest rates or currency exchange rates. The terms of such securities may provide that their principal amounts or just their coupon interest rates are adjusted upwards or downwards at maturity or on established coupon payment dates to reflect movements in various measures of underlying market or security while the obligation is outstanding.

Structured products are subject to the risks associated with the underlying market or security, and may be subject to greater volatility than direct investments in the underlying market or security. Structured products may entail the risk of loss of principal and/or interest payments as a result of movements in the underlying market or security.

## **8. Distressed securities**

Some Sub-Funds may hold distressed securities. These securities may be the subject of bankruptcy proceedings or otherwise in default as to the repayment of principal and/or payment of interest or are rated in the lower rating categories (Ca or lower by Moody’s or CC or lower by Standard & Poor’s) or are unrated securities considered by the Investment Manager of the relevant Sub-Fund to be of comparable

quality. Distressed securities are speculative and involve significant risk. Distressed securities frequently do not produce income while they are outstanding and may require the Sub-Fund to bear certain extraordinary expenses in order to protect and recover its holding. Therefore, to the extent the Sub-Fund seeks capital appreciation, the Sub-Fund's ability to achieve current income for its Shareholders may be diminished by its holding of distressed securities. The Sub-Fund also will be subject to significant uncertainty as to when and in what manner and for what value the obligations evidenced by the distressed securities will eventually be satisfied (e.g., through a liquidation of the obligor's assets, an exchange offer or plan of reorganisation involving the distressed securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or a plan of reorganisation is adopted with respect to distressed securities held by the Sub-Fund, there can be no assurance that the securities or other assets received by the Sub-Fund in connection with such exchange offer or plan of reorganisation will not have a lower value or income potential than may have been initially anticipated. Further, any securities received by the Sub-Fund upon completion of an exchange offer or plan of reorganisation may be restricted from resale. As a result of the Sub-Fund's participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of distressed securities, the Sub-Fund may be restricted from disposing quickly of such securities.

## **9. Special risks of hedging and income enhancement strategies**

Sub-Funds may engage in various portfolio strategies to attempt to reduce certain risks of its investments and enhance return. These strategies may include the use of options, forward foreign exchange contracts, swaps, credit default swaps, interest rate swaps, equity swaps, swaptions, total return swaps, currency swaps and inflation-linked swaps, futures contracts and options thereon, including international equity and bond indices, as well as efficient portfolio management techniques, including securities lending and borrowing and repurchase and reverse repurchase transactions as described in section "Investment Restrictions".

The use of derivatives and efficient portfolio management techniques involves far higher risk than standard investment Instruments and may have an adverse impact on the performance of the Sub-Funds. There can therefore be no assurance that the relevant Sub-Fund's investment objectives will be achieved.

In addition, the use of derivatives and efficient portfolio management techniques involves particular risk, mainly associated with leverage, whereby large liabilities can be incurred using relatively small financial means. This is the risk associated with the use of relatively small financial resources to obtain a large number of commitments.

## **10. Investment in equities and equity-linked instruments**

The buying and selling of equities and equity linked-instruments carries a number of risks, the most important being the volatility of the capital markets on which those securities are traded and the general insolvency risk associated with the issuers of equities, including index and basket certificates. Index and basket certificates rarely carry any entitlement to repayment of invested capital or to interest or dividend payments. The calculation of the reference index or basket usually takes account of cost and/or fees; and the repayment of invested capital is usually entirely dependent on the performance of the reference index or basket.

Although index and basket certificates are debt instruments, the risk they carry is inter alia an equity risk since the certificate performance depends on that of an index or basket which itself is dependent on the performance of its own components (e.g. securities). The value of certificates that inversely reflect the performance of their components may fall when markets rise. The risk that the relevant Sub-Fund may lose all or part of its value cannot be excluded.

Potential investors should be aware of the additional risks as well as of the general price risks when investing in shares. By picking equities on the basis of earning potential rather than country or origin or industry, performance will not depend on general trends.

Equity-linked instruments may comprise warrants, which confer on the investor the right to subscribe a fixed number of ordinary shares in the relevant company at a pre-determined price for a fixed period. The cost of this right will be substantially less than the cost of the share itself. Consequently, the price movements in the share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor. The higher the leverage is, the more attractive the warrant. By comparing, for a selection of warrants, the premium paid for this right and the leverage involved, their relative worth can be assessed. The levels of the premium and gearing can increase or decrease with investor sentiment.

Warrants are therefore more volatile and speculative than ordinary shares. Investors should be warned that prices of warrants are extremely volatile and that it may not always be possible to dispose of them. The leverage associated with warrants may lead to loss of the entire price or premium of the warrants involved.

## **11. Depository Receipts**

Investment in a given country may be made via direct investments into that market or by depository receipts traded on other international exchanges in order to benefit from increased liquidity in a particular security and other advantages. A depository receipt traded on an eligible market is deemed an eligible transferable security regardless of the eligibility of the market in which the security it relates to locally trades.

## **12. Investments in small or medium capitalisation companies**

In general the equity and equity-linked instruments of small and, as the case may be, medium capitalisation companies are less liquid than the securities of larger companies as daily volumes of shares traded may qualify their shares as less liquid. In addition, markets where such securities are traded tend towards increased volatility.

## **13. Investments in specific countries, sectors, regions or markets**

Where an investment objective restricts investment to specific countries, sectors, regions or markets diversification may be limited. Performance may differ significantly from the general trend of the global equity markets.

## **14. Investments in the property sector**

Investments in the securities of companies operating mainly in the property sector are subject to particular risks, such as the cyclical nature of property securities, general and local business conditions, excessive construction and growing competition, increasing property tax and management costs, population change and its impact on investment income, changes in building laws and regulations, losses arising from damage or court decisions, environmental risk, public law restrictions on rental, neighbourhood-related changes in valuation, interest rate risk, changes associated with the attractiveness of land to tenants, increases in use and other property-market influences.

## **15. Investment in units or shares of UCIs or UCITS**

When investing in Shares of some Sub-Funds of the SICAV which in turn may invest in other UCIs or UCITS, the SICAV and its investors are subject to the risk of duplication of fees and commissions except that if a Sub-Fund invests in other UCIs or UCITS managed by the Management Company or sponsored by

the promoter of the SICAV, the Sub-Fund will not be charged any subscription and redemption fees with respect to such investment.

## **16. Reinvestment of collateral received in connection with securities lending and repurchase transactions**

The SICAV may engage in securities lending and may reinvest the cash collateral received in connection with securities lending and repurchase transactions in accordance with section “Investment Restrictions”. Reinvestment of collateral involves risks associated with the type of investments made.

Reinvestment of collateral may create a leverage effect which will be taken into account for the calculation of the SICAV’s global exposure.

## **17. Global Exposure**

The SICAV must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions in its portfolios the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of each Sub-Fund.

In relation to financial derivative instruments, the SICAV must employ a process for accurate and independent assessment of the value of OTC derivatives as referred to in section “Investment Restrictions” and the SICAV shall ensure for each Sub-Fund that its global risk exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

The global risk 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.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in section “Investment Restrictions” in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section “Investment Restrictions”.

The SICAV may use Value at Risk (“VaR”) in order to calculate the global risk exposure of each relevant Sub-Fund and to ensure that such global risk exposure relating to financial derivative instruments does not exceed the total Net Asset Value of such Sub-Fund.

Attention of Shareholders is drawn to the potential additional leverage which may result from the use of a VaR methodology to calculate the global risk exposure relating to financial derivative instruments for the relevant Sub-Fund.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits laid down in item 1. C. (a) (1)-(5), (8), (9), (13) and (14) of section “Investment Restrictions”.

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.

## **18. Sub-underwriting**

The Investment Manager may engage in sub-underwriting transactions on behalf of a Sub-Fund. In an underwriting transaction a bank, stock-broker, major shareholder of the company or other related or unrelated party may underwrite an entire issue of securities. A Sub-Fund may in turn sub-underwrite a portion of that issue of securities pursuant to a sub-underwriting transaction. The Investment Manager may

only engage in sub-underwriting in relation to securities which the relevant Sub-Fund could otherwise invest in directly in accordance with the investment objective and policies of the Sub-Fund and the relevant investment restrictions. A Sub-Fund must maintain at all times sufficient liquid assets or readily marketable securities to cover its obligations under any sub-underwriting arrangements.

## **19. Investment in financial derivative instruments**

Some Sub-Funds may invest a portion of their assets in financial derivative instruments. The risks posed by such instruments and techniques, which can be extremely complex and may involve leverage, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset); (3) legal risks (the characterisation of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (4) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by an inability prematurely to terminate the derivative); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Use of derivative techniques involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because a percentage of the portfolio's assets is segregated to cover its obligations.

In hedging a particular position, any potential gain from an increase in value of such position may be limited.

## **20. Short Positions**

A Sub-Fund may use financial derivative instruments to implement synthetic short positions. Taking short positions involves leverage of the Sub-Fund's assets and presents various risks. If the price of the instrument or market which the Sub-Fund has taken a short position on increases, then the Sub-Fund will incur a loss equal to the increase in price from the time that the short position was entered into plus any premiums and interest paid to a counterparty. Therefore, taking short positions involves the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.

## **21. Counterparty Risks**

Some Sub-Funds may enter into OTC derivative agreements, including swap agreements as well as efficient portfolio management techniques as more fully described in their investment policy. Such agreements may expose the relevant Sub-Fund to risks with regard to the credit status of its counterparties and their capacity to meet the conditions of such agreements.

Consistent with best execution and at all times when it is in the best interests of the Sub-Fund and its Shareholders, a Sub-Fund may also enter into such OTC derivative agreements as well as efficient portfolio management techniques with other companies in the same Group of Companies as the Management Company or Investment Manager.

The Sub-Fund is subject to the risk that the counterparty might not fulfil its obligations under the agreement concerned. The default risk arising from such transactions may, however, not exceed 10% of the net assets if the counterparty is a credit institution. In all other cases, the limit is a maximum of 5% of the Net Asset Value of each Sub-Fund.

## **22. Custody Risk**

Sub-Funds' assets are deposited with the Depositary and identified in the Depositary's books as belonging to the respective Sub-Funds. Assets, except cash, are segregated from other assets of the Depositary which mitigates but does not prevent the risk of non-restitution in the event of bankruptcy of the Depositary. Cash deposits are not segregated in this way and therefore exposed to increased risk in the event of bankruptcy.

Sub-Funds' assets are also held by sub-custodians appointed by the Depositary in countries where the Sub-Funds invest and, notwithstanding compliance by the Depositary with its legal obligations, are therefore exposed to the risk of bankruptcy of those sub-custodians. A Sub-Fund may invest in markets where custodial or settlement systems are not fully developed, where assets are held by a sub-custodian and where there may be a risk that the Depositary may have no liability for the return of those assets.

## **23. Investment Management and opposing positions**

The Investment Manager, or another member of the group of companies to which it belongs, may make investment decisions, undertake transactions and maintain investment positions for one or more clients that may impact the interests of other clients and that may pose a conflict of interest for the Investment Manager, particularly if the company and / or its staff earn higher compensation from one mandate, product or client than for another. Such conflicts, for instance, are present when the Investment Manager, or another member of the group of companies to which it belongs, buys and sells the same security at the same time for different clients or maintains market positions in the same instruments with market exposure in opposite directions at the same time for different clients. The Investment Manager and individual portfolio managers may manage long only, long-short or short only mandates where such conflicts of interest may be especially prevalent. Such investment decisions, transactions or positions are taken, made and maintained in accordance with established policies and procedures designed to ensure an appropriate aggregation and allocation of trades and investment decisions executed or taken without creating undue advantage or disadvantage to any of the Investment Manager's mandates, products or client's and in line with the relevant mandates and investment guidelines for such clients.

In certain situations though, management of these conflicts may result in a loss of investment opportunity for clients or may cause the Investment Manager to trade or maintain market exposures in a manner that is different from how it would trade if these conflicts were not present, which may negatively impact investment performance.

## **24. Conflicts of Interest**

The Management Company or its affiliates may effect transactions in which the Management Company or its affiliates have, directly or indirectly, an interest which may involve a potential conflict with the Management Company's duty to a Sub-Fund. Neither the Management Company nor any of its affiliates shall be liable to account to the Sub-Fund for any profit, commission remuneration made or received from or by reason of such transactions or any connected transactions nor will the Management Company's fees, unless otherwise provided, be adjusted. The Management Company will ensure that such transactions are effected on terms which are no less favourable to the Sub-Fund than if the potential conflict had not existed. Such potential conflicting interests or duties may arise because the Management Company or its affiliates, may have invested directly or indirectly in the SICAV. More specifically, the Management

Company, under the rules of conduct applicable to it, must try to avoid conflicts of interests and, when they cannot be avoided, ensure that its clients (including the Sub-Fund) are fairly treated.

## **25. Securities Lending**

Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Sub-Fund may lose money and there may be a delay in recovering the lent securities. The Sub-Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. A Sub-Fund's portfolio exposure to market risk will not change by engaging in securities lending. However, securities lending carries the specific market risk of the counterparty defaulting. In such a case, the collateral provided will need to be sold and the lent securities repurchased at the prevailing price, which may lead to a loss in value of the individual Sub-Funds. Securities lending also carries operational risks such as the non-settlement of instructions associated with securities lending. Such operational risks are managed by means of procedures, controls and systems implemented by the securities lending agent and the Management Company.

## **26. Withholding Tax Risk**

Certain income of the SICAV and/or various Sub-Funds may be subject to withholding taxes, and any such taxes will reduce the return on the investments held by the Sub-Fund. However, the SICAV and/or various Sub-Funds may need to receive certain information from an investor for the SICAV and the Sub-Fund to avoid certain withholding taxes. In particular, Foreign Account Tax Compliance Act ("FATCA") recently adopted in the United States will require the SICAV to obtain certain identifying information about its investors and potentially provide that information to the United States Internal Revenue Service. Subject to certain transition rules, investors that fail to provide the SICAV, the Management Company or its agents with the requisite information will be subject to a 30% withholding tax on distributions to them and on proceeds from any sale or disposition. Any such withholding taxes imposed will be treated as a distribution to the investors that failed to provide the necessary information. In addition, Shares held by such investors shall be subject to compulsory redemption.

## **27. Investment in subordinated debt and debt-related instruments**

Some Sub-Funds may invest in subordinated debt and debt-related instruments which may be Investment Grade and sub-Investment Grade securities and may be secured or unsecured. Investment in such instruments may entail increased credit risk as they would rank behind other debt instruments of the same issuer should the issuer fall into liquidation or bankruptcy, i.e. they will be repayable only after other debts have been paid.

## APPENDIX IV: RISK MEASUREMENT BENCHMARKS AND LEVERAGE

	Sub-Funds	Expected Leverage*	Reference Portfolio (relative VaR only) 100% unless otherwise stated
	Multi-Asset		
1.	Conservative	200%	75% Barclays Global Agg Bond TR Index 25% MSCI AC World Index
2.	Balanced	250%	50% Barclays Global Agg Bond TR Index 50% MSCI AC World Index
3.	Diversified Growth	280%	50% Barclays Global Agg Bond TR Index 50% MSCI AC World Index
4.	Diversified Income	200%	50% Barclays Global Agg Bond TR Index 50% MSCI AC World Index
5.	Diversified Alpha	100%	N/A

\*The leverage is calculated as the sum of the notionals of the financial derivative instruments used and is in excess of a Sub-Fund's net assets.