BASE INVESTMENTS SICAV

Investment Company with variable capital

December 2014

INTRODUCTION

A) BASE INVESTMENTS SICAV (hereafter referred to as the "**SICAV**") is a *société anonyme* established in the form of an investment company with variable capital with multiple Sub-Funds regulated by the laws of the Grand-Duchy of Luxembourg. The SICAV aims to provide investors with the opportunity to invest in portfolios consisting of transferable securities diversified according to the different types of Sub-Funds offered, with a view to realising performances as closer as possible to their expectations.

B) BASE INVESTMENTS SICAV is registered in the official list of Undertakings for Collective Investment governed by the Law of 17 December 2010 on Undertakings for Collective Investment and is regulated by Part I of this law.

Registration on this list may not be interpreted as a positive assessment by the supervisory authority of the contents of this prospectus or of the quality of shares offered by BASE INVESTMENTS SICAV. Any assertion to the contrary would be unauthorised and illegal.

This prospectus may not be used to constitute an offer or solicitation for the sell of shares in any country or under any circumstance where such an offer or solicitation is not authorised.

In particular, the shares of BASE INVESTMENTS SICAV have not been registered in compliance with any United States legal provisions on transferable securities and may not be offered in the United States or in any of the territories or regions subject to this jurisdiction.

No other information will be deemed valid other than which appears in this prospectus and in the documents referred to therein and available for consultation by the public.

The board of directors of BASE INVESTMENTS SICAV (the "**Board of Directors**") assumes responsibility for the accuracy of the information contained in this prospectus on the date of its publication.

This prospectus is liable to be updated with substantive amendments. Therefore, it is recommended that subscribers contact BASE INVESTMENTS SICAV to inquire as to the possible publication of a more recent prospectus.

It is recommended that investors take advice on the laws and regulations (such as those on taxation and exchange control) pertaining to the subscription, purchase, holding, redemption and sell of shares of BASE INVESTMENTS SICAV in their place of origin, residence and domicile.

This prospectus is valid only when accompanied by the last available annual report and by the latest semi-annual report, if this is more recent than the last annual report. These documents are an integral part of this prospectus.

The Key Investor Information Document ("**KIID**") of each available Share class of the SICAV's Sub-Funds must be made available to investors free of charge prior to their subscription for Shares of the SICAV. The SICAV's Board of Directors reserves the right to: (i) accept or reject any subscription application, totally or partially, whatever the reason may be; (ii) limit the distribution of shares of a given Sub-Fund to specific countries; and (iii) redeem shares held by persons that are not authorised to purchase or hold the SICAV's shares.

The SICAV is managed by its Board of Directors, and the investment management, central administration and distribution duties are carried out by MDO Management Company, S.A., under the control of the Board of Directors, a *société anonyme*, incorporated and subject to the laws of the Grand-Duchy of Luxembourg and duly authorized by the CSSF as a management company within the meaning of Chapter 15 of the 2010 Law (the "**Management Company**").

1. TABLE OF CONTENTS

2. ADMINISTRATION OF THE SICAV

BOARD OF DIRECTORS

Massimo Paolo Gentili
Gentili & Partners
Chairman

Stefano Rogna
General Manager
Banca del Sempione SA

Beat Viktor Meier
Managing Director
Banca del Sempione (Overseas) Ltd.

Pietro Scibona
Manager
Banca del Sempione SA

REGISTERED OFFICE

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L - 2535 Luxembourg

MANAGEMENT COMPANY

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BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Géry Daeninck
Independent Management Consultant
Chairman

Martin Vogel
Chief Executive Officer, MDO Services S.A.

Yves Wagner
Independent Management Consultant

John Li
Independent Management Consultant

Garry Pieters
Independent Management Consultant

CONDUCTING PERSONS

Kim Kirsch
Laurence Magloire
Riccardo del Tufo

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L - 2535 Luxembourg

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CH-6901 Lugano

INVESTMENT MANAGER
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CH-6901 Lugano - Switzerland

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United States of America

Sempione SIM S.p.A.
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INVESTMENT ADVISOR
Banca del Sempione (Overseas) Ltd., Nassau
George House
George Street
Nassau, Bahamas

REPRESENTATIVE AND PAYING AGENT IN SWITZERLAND
Banca del Sempione SA
Via P. Peri, 5
CH-6901 Lugano

AUDITOR
PricewaterhouseCoopers S.à r.l.,
Espace Ariane, 400 route d'Esch,
L - 1471 Luxembourg

LEGAL ADVISOR
Arendt & Medernach
14, rue Erasme
L-2082 Luxembourg

3. GENERAL CHARACTERISTICS OF THE SICAV

BASE INVESTMENTS SICAV is an investment company (*société d'investissement à capital variable*) with variable capital with multiple Sub-Funds, governed by Luxembourg law and constituted for an unlimited period in Luxembourg on 29 May 2001. The SICAV is governed by Part I of the Law of 17 December 2010 on Undertakings for Collective Investment and, unless otherwise stated in the Law of 17 December 2010, by the Law of 10 August 1915 on commercial companies.
BASE INVESTMENTS SICAV is an umbrella fund composed by a number of Sub-Funds, each containing separate assets and liabilities and each having a distinct investment policy.

Moreover, BASE INVESTMENTS SICAV offers, within some of its Sub-Funds, two or more classes of shares, differing from one another in the applicable commission structure, minimum subscription amounts, type of investor, base currency, and distribution policy. The features and general conditions of each class shall be established by the Board of Directors and are described in section 18.1 "Current subscriptions" of this prospectus. The shares of each class may be sub-divided into sub-classes or series.

This structure offers investors the possibility of being able to choose among different Sub-Funds and, if applicable, different classes of shares and therefore having the option of subsequently switching from a share class to another share class within the same Sub-Fund or a different one, on conditions specified in Chapter 19 "Transfer and Conversion of Shares".

The SICAV comprises the following Sub-Funds:

BASE INVESTMENTS SICAV – BONDS VALUE; base currency: Euro (EUR)
BASE INVESTMENTS SICAV – BONDS USD; base currency: US Dollar (USD)
BASE INVESTMENTS SICAV – BONDS CHF; base currency: Swiss Franc (CHF)
BASE INVESTMENTS SICAV – BONDS - MULTICURRENCY; base currency: Euro (EUR)
BASE INVESTMENTS SICAV – EURO HEDGING; base currency: Euro (EUR)
BASE INVESTMENTS SICAV – FLEXIBLE LOW RISK EXPOSURE; base currency: Euro (EUR)
BASE INVESTMENTS SICAV – EQUITIES U.S.A.; base currency: US Dollar (USD)
BASE INVESTMENTS SICAV – EQUITIES SWITZERLAND; base currency: Swiss Franc (CHF)
BASE INVESTMENTS SICAV – I.D.E.A.; base currency: Euro (EUR)
BASE INVESTMENTS SICAV – SHORT TERM; base currency: Euro (EUR)
BASE INVESTMENTS SICAV – EQUITIES EUROPE; base currency: Euro (EUR)
BASE INVESTMENTS SICAV – LEPTON; base currency: Euro (EUR)
BASE INVESTMENTS SICAV – EMERGING AND FRONTIER MARKETS EQUITY; base currency: Euro (EUR)

The Board of Directors reserves the right to further launch (i) other Sub-Funds whose investment policy and/or (ii) new classes of shares within the existing Sub-Fund, whose offer term will be communicated in an updated prospectus. Investors may be informed through the press should the Board of Directors considers it appropriate. In addition, the Board of Directors may propose to subscribers the winding up of a Sub-Fund or a share class.

The Articles of Incorporation of the SICAV were published in the *Mémorial C, Recueil des Sociétés et Associations* (the "*Mémorial*") on 29 June 2001. The Articles of Incorporation were last modified during an Extraordinary General Meeting held on 5 July 2012 and published in the *Mémorial* on 25 July 2012. The Articles of Incorporation were deposited at the office of the *Registre de Commerce et des Sociétés* ("the Trade Register") of Luxembourg. The documents may be examined there and copies may be obtained upon request.

The SICAV is registered with the Trade Register in Luxembourg under No. B 82127 and its registered office is in Luxembourg. The SICAV's capital is at all times equal to the total net asset value of the different Sub-Funds and is represented by shares issued without pair value and fully paid in. Variations of the capital are fully authorised, without the same requirement for notification or registration at the Trade Register as applies to increases or reductions of *sociétés anonymes*. The SICAV's minimum capital amounts to EUR 1,250,000 (one million two hundred and fifty thousand Euro).

The Board of Directors has appointed MDO Management Company, S.A. as the management company of the Company and its Sub-Funds, as further described under Chapter 9 "Management of the SICAV".

4. INVESTMENT POLICY AND OBJECTIVES

The main objective of the SICAV is to preserve capital and to increase its assets. There is no guarantee that such objectives will be achieved.

The SICAV intends to achieve these objectives through active management of the Sub-Funds whose investment policy and objectives are described hereafter. Overall, the portfolio of each Sub-Fund of the SICAV consists of securities and other eligible assets without restrictions or limitations in terms of industry, sector, or geographical diversification, except those specifically defined in the investment policy of the Sub-Funds offered.

All the Sub-Funds may hold cash on an ancillary basis and may use techniques and instruments on transferable securities within the limits defined in Chapter 7 "Financial Techniques and Instruments" illustrated below.

The investment policy of the Sub-Funds of the SICAV is detailed in Appendix I for each Sub-Fund.

5. SPECIAL CONSIDERATIONS ON RISKS

With regard to individual Sub-Funds, it is recommended that future investors take advice from their financial advisors in order to determine whether investing in a particular Sub-Fund is appropriate in terms of their asset situation.

The number and structure of investments in each Sub-Fund should reduce the sensitivity of the relevant Sub-Fund to risks associated with a particular investment. Nevertheless, investors must be aware that there is no guarantee of their recovering the amounts originally invested.

More specifically, future investors should be aware of the risks associated with investing in certain Sub-Funds, as detailed below.

5.1. Investment in small and medium-sized companies

Investment in small and medium-sized companies may carry greater risks than those generally associated with investment in larger and more established companies.

In particular, small companies are often limited in their product range, in access to markets and financial resources. In addition, it is possible that only one or two key people are responsible for their operations.

5.2. Use Of Warrants

It should be noted that though warrants are considered to offer potentially higher returns than shares because of their leverage effect, they are characterised by price volatility and greater risk of loss. These instruments may even suffer total loss of value.

5.3. Use Of financial derivative instruments

Within the limits illustrated in Chapter 7 “Financial Techniques and Instruments”, each Sub-Fund may be traded on both the official market and the OTC derivative market to conserve or increase the yield of the underlying asset. Derivative contracts may have a long-term impact on the SICAV or give rise to financial commitments that may be amplified because of their leverage effect, thus causing changes in the market value of the underlying asset. The leverage effect implies that the necessary counter-value to conclude the transaction is much lower than the nominal value of the contract instrument. If a transaction is executed through the leverage effect, a relatively small market correction will have a proportionally higher impact on the value of the investment for the SICAV, which may occur either to its loss or gain.

When traded on the official or OTC derivative market, the SICAV is exposed to:

- market risk, featuring the fact that fluctuations may have a negative impact on the value of the derivative contract as a result of change in the price or value of the underlying security;
- liquidity risk, featuring the fact that one of the parties may not be able to meet its effective obligations; and
- operating risk, featuring the fact that the internal risk management system proves to be inadequate for one of the parties or may not adequately monitor the risks inherent in derivative transactions.

OTC market participants are exposed to counterparty credit risk. This is a key risk factor in OTC market because, in the majority of cases, each party can only rely on the ability of the counterparty to later perform its obligations. On the other hand, counterparty credit risk can be traded on official markets through clearing agreements to transfer risk from the SICAV to the clearing institution. OTC market participants are also exposed to the risk of not being able to enforce the counterparty's obligations through legal channels.

The use of financial instruments cannot be considered a guarantee of achieving the expected results.

5.4. <u>Exchange Rate Risks</u>

Several Sub-Funds that invest in securities denominated in currencies other than the Sub-Fund's reference currency may be subject to exchange rate risk due to fluctuations among different currencies or the conversion from one currency to another that could, in turn, generate an increase or decrease in the Sub-Fund's net assets.

If the currency in which a security is denominated appreciates against the reference currency, such security's price may increase. Conversely, if a security's currency of denomination depreciates against the reference currency, such security's price may decrease.

The value of investments for holders of shares belonging to a class denominated in a currency other than the reference currency of the Sub-Fund that issued these shares may increase or decrease due to exchange rate fluctuations between the two currencies.

To avoid such risk, in the case of share classes denominated in currencies other than the Sub-Fund's reference currency, an exchange rate risk hedge transaction will be executed. For technical reasons, it is possible that such hedging may be incomplete and not cover the entire exchange rate risk. There can be no guarantee that hedging strategies will be successful.

During certain periods there may be sharp fluctuations in exchange rates depending on supply and demand on the currency markets. Currency markets may be significantly influenced by the intervention (or non-intervention) of governments or central banks, by foreign exchange control regulations, or by political developments.

5.5. <u>Emerging and Frontier Markets Risks</u>

Emerging Markets Risk.

In addition to the risks of investing in foreign securities in general, the risks of investing in the securities of companies domiciled in emerging market countries include increased political or social instability, economies based on only a few industries, unstable currencies, runaway inflation, highly volatile securities markets, unpredictable shifts in policies relating to foreign investments, lack of protection for investors against parties that fail to complete transactions, and the potential for government seizure of assets or nationalization of companies.

Frontier Markets Risk.

In addition to the risks of investing in foreign securities and emerging markets, frontier market securities involve unique risks, such as exposure to economies less diverse and mature than those of more established foreign markets. Economic or political instability may cause larger price changes in frontier market securities than in securities of issuers based in more developed foreign countries, including securities of issuers in larger emerging markets. Frontier markets generally receive less investor attention than developed markets and larger emerging markets. These risks can result in the potential for extreme price volatility and illiquidity.

Political Risk.

The risk of government intervention is particularly high in frontier markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government intervention could result from political, economic or internal policies and could cause a complete loss of the Sub-Funds' investment in such countries. Frontier markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated. When seeking to sell securities of frontier market, little or no market may exist for such securities. Settlement of transactions may be subject to delay and administrative uncertainties. Custodians in frontier markets are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Sub-Funds will not be recognised as the owner of securities held on its behalf by a sub-custodian. The disclosure of fiscal and other information available to investors may be less complete and reliable. It may also be the case that companies that are listed on recognized exchanges that are part of frontier markets or conduct much of their business in frontier markets are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in developed countries. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which the Sub-Funds will invest.

5.6. Investments in China

In addition to the risks mentioned in section 5.5, investors shall be aware of the following risk considerations in relation to investments made in China.

Investments in China H-Shares

The investments of the Sub-Funds may include shares in companies incorporated in Mainland China which are listed on the Hong-Kong Stock Exchange ("**HKEx**") and primarily traded in Hong Kong ("**China H-Shares**").

Political and economic considerations.

Investors should be aware that the economy of Mainland China differs from the economies of most developed countries in many respects, including the government involvement in its economy, the level of development, growth rate and control of foreign exchange. The regulatory and legal framework for capital markets and companies in Mainland China is not well developed compared with those of developed countries.

By investing in China H-Shares, Sub-Funds are subject to the risks of investing in emerging markets generally and the risks specific to Mainland China in particular. These may include, but are not limited to:

- Less liquid and less efficient securities markets;
- Greater price volatility;
- Exchange rate fluctuations and exchange controls;
- Less publicly available information about issuers;
- The imposition of restrictions on the repatriation of funds or other assets out of the country;
- Higher transaction and custody costs and higher settlement risks;
- Difficulties in enforcing contractual obligations,
- Lesser levels of regulation of the securities markets;
- Different accounting, disclosure and reporting requirements;¨
- More substantial government involvement in the economy;
- Higher rates of inflation,
- Social, political and economic instability; and
- Risk of nationalization or expropriation of assets and risk of war or terrorism.

Investors should be aware that, the Mainland China government has adopted a planned economic system in the past. Since 1978, the Mainland China government has implemented economic reform measures which emphasize decentralization and the utilization of market forces and social progress. However, many of the economic reforms in Mainland China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on securities markets.

The economy of Mainland China has experienced significant growth in the past few years, but such growth has been uneven both geographically and among the various sectors of the economy. Moreover, there can be no assurance that such growth can be sustained.

Mainland China government's control of currency conversion and future movements in exchange rates.

On 21 July 2005, the Mainland China government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate or Renminbi is no longer pegged to the US dollar, resulting in a more flexible Renminbi exchange rate system. China Foreign Exchange Trading System, authorized by the People's Bank of China, promulgates the central parity rate of Renminbi against US dollar, Euro, Yen, pound sterling and Hong Kong dollar at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of Renminbi against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for Renminbi against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely against US dollars, Hong Kong dollars or any other foreign currency in the future.

Since July 2005, the appreciation of Renminbi has begun to accelerate notably. Although the Mainland China government has constantly reiterated its intention to maintain the stability of the Renminbi, it may introduce measures (such as a reduction in the rate of export tax refund) to address the concerns of the Mainland China's trading partners. Therefore, the possibility that the appreciation of Renminbi will by further accelerated cannot be excluded. On the other hand, there can be no assurance that the Renminbi will not be subject to devaluation. Any devaluation of the Renminbi could adversely affect the Net Asset Value of the Subfund concerned.

Tax Risks.

Where a Sub-Fund invests in China H-Shares the income of which (such as dividends) are derived from Mainland China, if any, such Sub-Fund is subject to withholding of company income tax imposed in Mainland China; such company income tax will adversely affect the performance of the Sub-Fund concerned. Such Sub-Fund may also be subject to other taxes imposed in Mainland China, which may reduce the income from investments in the Sub-Fund.

Investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and / or redeemed their shares in / from the Sub-Fund.

5.7. <u>Investments in Brazil</u>

Investors should be aware of the existence of a Brazilian Presidential Decree in force, as amended from time to time, detailing the current IOF tax rate (Tax on Financial Operation), that applies to foreign exchange inflows and outflows. The Brazilian government may change the applicable rate at any time and without prior notification, resulting in the fact that the change and the new rate cannot be anticipated by the Investment Manager. The application of the IOF tax rate will reduce the net asset value per share in case of investments in Brazil.

5.8. Cross Transactions

Cross transactions may be executed by the broker-dealer operating for the account of both the SICAV and the broker-dealer's non discretionary client. Cross transactions allow the Investment Manager to buy or sell packages of securities for the SICAV's account at an agreed price that must correspond to the market price and may protect against unfavourable price movements, at times owing to the execution of such buy and sell orders on the market.

At any rate, investors must be aware of the fact that, once these cross transactions are executed, the Investment Manager may be in a conflict of interest situation, in case its affiliate receives commissions from both parties involved in the transaction.

5.9. Duplication of costs

To the extent that some Sub-Funds invest in securities issued by Undertakings for Collective Investment, custodian bank fees, auditing costs and administrative expenses may be invoiced either to said Sub-Funds or to the Undertakings for Collective Investment in which the Sub-Funds invest.

On the other hand, when Sub-Funds invest in Undertakings for Collective Investment that are not managed, be it directly or by way of a mandate, by the same management company or by any other company to which the management company is connected through joint management or control or a direct or indirect participation, then investment management fees, subscription or redemption rights may be invoiced either to said Sub-Funds or to the Undertakings for Collective Investment in which the Sub-Funds invest.

Grouping these charges together may, for the Shareholders of the aforementioned Sub-Funds, mean higher charges and expenses than those that would have been imputed to the Sub-Funds had they carried out their investments directly.

Moreover, if the Undertakings for Collective Investment in which these Sub-Funds have invested in turn invest in Undertakings for Collective Investment, trebled charges and expenses might end up being borne by the Shareholders of the aforementioned Sub-Funds.

5.10. FATCA

5.10.1 Definitions

For the purpose of this Prospectus the following definitions in relation to FATCA apply:

Controlling persons means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Person" shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Entity means a legal person or a legal arrangement such as trust.

FATCA means the provisions of the Hiring Incentives to Restore Employment ("**HIRE**") Act of 18 March 2010 commonly referred to as the Foreign Account Tay Compliance Act ("**FATCA**").

Financial Institution means a custodial institution, a depositary institution, an investment entity or a specified insurance company, as defined by the IGA.

IGA means the intergovernmental agreement concluded between the Grand-Duchy of Luxembourg and the United States of America in relation to FATCA on 28 March 2014.

IRS means the United States of Internal Revenue Service.

Luxembourg Financial Institution means (i) any Financial Institution resident in Luxembourg, but excluding any branch of such Financial Institution that is located outside Luxembourg and (ii) any branch of a Financial Institution not resident in Luxembourg, if such branch is located in Luxembourg.

Nonparticipating Financial Institutions means a nonparticipating Financial Institution as defined in the IGA.

Non-US Entity means an Entity that is not a US Person.

Specified US Person means a US Person, other than: (i) a corporation the stock of which is regularly traded on one or more established securities market; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the US Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof ; (iv) any States of the United States, any US Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under section 501(a) of the US Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the US Internal Revenue Code; (vi) any bank as defined in section 581 of the US Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the US Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the US Internal Revenue Code or any entity registered with the US Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the US Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the US Internal Revenue Code or that is described in section 4947(a)(1) of the US Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the US Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the US Internal Revenue Code.

US Person means a US citizen or resident individual, a partnership or a corporation organized in the United States or under the laws of the United States or any States thereof, a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition shall be interpreted in accordance with the US Internal Revenue Code.

5.10.2 FATCA

The United States HIRE Act was adopted in March 2010. It includes provisions generally known as FATCA.

The intention of these is that details of Specified US Persons holding assets outside the US will be reported by financial institutions to the IRS as a safeguard against US tax evasion. As a result of the HIRE Act, and to discourage non-US Financial Institutions from staying outside this regime, all US securities held by a Financial Institution that does not enter and comply with the regime will in principle be subject to a US tax withholding of 30% on gross sales proceeds as well as income.

On 28 March 2014, Luxembourg has signed an IGA with the United States, in order to facilitate compliance of Luxembourg Financial Institutions, such as the SICAV, with FATCA and avoid the above-described US withholding tax. Under the IGA, Luxembourg Financial Institutions will provide the Luxembourg tax authorities with information on the identity and the investments of and the income received by their investors by that are Specified US Persons or, in case of a Non-U.S Entity being a Shareholder, on the status of any Controlling Person as a Specified US Person. The Luxembourg tax authorities will then automatically pass the information on to the IRS. Such reporting is, however, not required in case the Luxembourg Financial Institution can rely on a specific exemption or a deemed-compliant category contained in the IGA.

The SICAV therefore requires all Shareholders to provide mandatory documentary evidence on their status as a Specified US Person or, in case of a Non-US Entity being a Shareholder, on the status of any Controlling Person as a Specified US Person.

The SICAV's ability to satisfy its obligations under the IGA will depend on each Shareholder in the SICAV providing the SICAV with any information, including information concerning the direct or indirect owners of such Shareholder, that the SICAV determines is necessary to satisfy such obligations. Each Shareholder agrees to provide such information upon request by the SICAV.

A Shareholder that fails to comply with such documentation request may be charged with any taxes or penalties imposed on the SICAV attributable to such Shareholder's non-compliance under the IGA and FATCA, and the SICAV may, in its sole discretion, redeem such Shares.

While the SICAV will make all reasonable efforts to seek documentation from Shareholders to comply with these rules and to allocate any taxes or penalties imposed or required to be deducted under the IGA and/or FATCA to Shareholders whose non-compliance caused the imposition or deduction of the tax penalty, it cannot be excluded that other complying Shareholders in the SICAV may be affected by the presence of such non-complying Shareholders.

All prospective investors and Shareholders are advised to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the SICAV.

6. INVESTMENT RESTRICTIONS

Pursuant the principle of risk diversification, the SICAV's Board of Directors shall be entitled to determine the commercial and investment policies for the Sub-Funds' investments, the base currency for each Sub-Fund as well as the procedure for managing the SICAV and its business activities.

The following restriction and criteria shall be observed in relation to each Sub-Fund of the SICAV:

6.1 the SICAV's investment shall consist exclusively of:

a) transferable securities and money market instruments listed or traded on a regulated market;

b) transferable securities and money market instruments traded on any other regulated market, which operates regularly, recognised and open to the public, in any Member State of the European Union;

c) transferable securities and money market instruments listed on official stock exchanges in any non-EU Member State or traded on any other regulated market, which operates regularly, recognised and open to the public, in any non-EU Member State: that is, stock exchanges or other regulated markets in any country of the US, Europe, Africa, Asia, and Oceania;

d) recently issued transferable securities and money market instruments, provided that:

- the terms of issue require the filing of an application to be admitted to the official list of a stock exchange or any other regulated market, which operates regularly, recognised and open to the public, that is to say a stock exchange or any other regulated market in any country of the US, Europe, Africa, Asia, and Oceania;

- the admission is obtained no later than one year after the issue date;

e) units of UCITS authorised under directive 2009/65/EC (including, subject to the provisions of paragraph 6.21 below, any Sub-Fund of the SICAV) and/or other UCIs pursuant to article 1, paragraph (2), first and second comma, of directive 2009/65/EC, whether or not established in an EU-Member State, provided that:

- such other UCIs have been authorised under laws which provided that they are subject to supervision that CSSF (*Commission de Surveillance du Secteur Financier* – Surveillance Authority for the Financial Sector) considers as equivalent to that set out by the EU law and that cooperation among authorities is sufficiently guaranteed;
- the level of protection guaranteed to holders of units in such other UCIs is equivalent to that provided for holders of units in a UCITS, and in particular that the rules on segregation of assets, borrowing, lending, short selling of transferable securities and money market instruments are equivalent to the requirements of directive 2009/65/EC;
- the business of such other UCIs is reported in Semi-Annual and Annual Reports allowing the assessment of assets and liabilities, income and operations over the reported period;
- no more than 10% of the assets of UCITS or such other UCIs, whose purchase for each Sub-Fund is envisaged, may, in compliance with their statutory documents, in aggregate be invested in units of other UCITS or UCIs;

f) deposits with credit institutions that are repayable on demand or have the right to be withdrawn, and will be due in no more than twelve months, provided that the credit institution has its registered office in an EU-Member State, or if the registered office is in a country that is not Member of the EU, provided that it is subject to prudential rules considered by the CSSF as equivalent to those provided by the EU legislation;

g) financial derivative instruments, including equivalent cash-settled instruments, which are traded on a regulated market as defined in points a), b) et c) above; and/or OTC derivative instruments, provided that:

- the underlying consists of instruments referred to in the above paragraph 6.1 points a) through f), financial indices, interest rates, foreign exchange rates or currencies, in which each Sub-Fund may invest according to its investment objectives, as defined in their respective investment policies;

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

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

h) money market instruments other than those traded on a regulated market and envisaged in article 1 of the Law of 17 December 2010 on UCIs, provided that the issue or the issuer of such instruments is itself subject to regulations aimed at protecting investors and savings, and that such instruments are:

- issued or guaranteed by a central, regional or local administration, by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a

Federal State, by one of the members making up the federation, or by a public international organisation one or more EU Member States belong to, or

- issued by a company whose securities are traded on the regulated markets referred to above in paragraph 6.1 points a), b) or c), or

- issued or guaranteed by an institution subject to prudential supervision, according to the criteria established by EU laws, or

- by an institution which is subject to and complies with prudential rules considered by the CSSF at least as strict as those provided by the EU legislation, or

- issued by other entities belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection regulations equivalent to those referred to in the above points 1, 2 and 3, and that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 (ten million Euro) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC. It has to be either an entity that, within a group of companies including one or more listed companies, is dedicated to the financing of the group or is an entity dedicated to the financing of securitisation vehicles benefiting from a banking credit line.

6.2 In addition the SICAV may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under paragraph 6.1 above.

6.3 The SICAV may exclusively acquire movables or immovable property which is essential for the direct pursuit of its business.

6.4 The SICAV may not acquire precious metals or certificates representing them.

6.5 Each Sub-Fund of the SICAV may hold cash on an ancillary basis.

6.6 The SICAV may not invest more than 10% of the net assets of each Sub-Fund in transferable securities and money market instruments issued by the same body. Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body. The SICAV's counterparty credit risk in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 6.1 point f) above, or 5% of its net assets in other cases.

6.7 Moreover, in addition to the limit prescribed in paragraph 6.6 above, the total value of transferable securities and money market instruments held by each Sub-Fund in issuers in which the Sub-Fund invests more than 5% of its net assets may not exceed 40% of said Sub-Fund's net assets. Such limit shall not apply to deposits or to OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual restrictions set out in paragraph 6.6 above, no Sub-Fund may combine:

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

exceeding 20% of its net assets.

6.8 The 10% limit set out in paragraph 6.6, first sentence, is increased to a maximum of 35% if transferable securities and money market instruments are issued or guaranteed by a Member State of the European Union, its public local authorities or by a non-EU Member State or by public international body to which one or more EU-Member States belong.

6.9 The 10% limit set out in paragraph 6.6, first sentence, is increased to a maximum of 25% for certain bonds when they are issued by a credit institution having its registered office in an EU- Member State and subject, by law, to specific public control aiming to protect the holders of those bonds. In particular, any proceeds from the issuing of such bonds shall be invested, according to the law, in assets that, throughout the bond validity period, will cover credit on said debt securities and, in the case of the issuer's bankruptcy, will be used for the repayment of capital and the payment of accrued interest.

Should the SICAV invest more than 5% of each Sub-Fund's net assets in the bonds referred to in this paragraph, issued by the same issuer, the total value of such investment shall not exceed 80% of the net asset value of each Sub-Fund.

Transferable securities and money market instruments referred in paragraphs 6.8 and 6.9 above shall not be taken into account in applying the 40% limit mentioned in paragraph 6.7 above. The limits set out in paragraphs 6.6, 6.7, 6.8 and 6.9 above may not be cumulated and, accordingly, investments in transferable securities or money market instruments of a single issuer, in deposits or derivatives made with said issuer pursuant to paragraphs 6.6, 6.7, 6.8 and 6.9 above, may not, in any case, in total exceed 35% of a Sub-Fund's net assets.

Companies which are included in the same group for account consolidation purposes, in accordance with directive 83/349/CEE or in accordance with recognised internationally accounting rules, are considered as a single body when calculating the limits contained in this paragraph 6.6.

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

Moreover, in accordance with article 45 of the Law of 17 December 2010 on Undertakings for Collective Investment and notwithstanding the above limits, the SICAV is authorised to invest up to 100% of each Sub-Fund's net assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State or by its local authorities, by any eligible

non-EU country or by public international organisations to which one or more EU Member States belong, provided that:

- **each Sub-Fund holds securities belonging to at least six different issues;**
- **the Securities belonging to the same issue do not exceed 30% of the total net asset value of the Sub-Fund concerned.**

Such options may only be exercised insofar as they comply with the respective policies of the different Sub-Funds.

6.10 The limits foreseen in paragraph 6.6 may be raised to a maximum of 20% for investments in shares and/or bonds issued by the same body, if the aim of the Sub-Fund's investment policy is to replicate the composition of a particular share or bond index that is recognised by the CSSF, on the following basis:

- The index's composition is sufficiently diversified;
- The index represents an adequate benchmark for the market it refers to;
- The index is reported in an appropriate publication.

The 20% limit may be raised to 35% where justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or certain money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

6.11 The SICAV may acquire units of UCITS and/or other UCIs as referred to in paragraph 6.1 point e) above, providing that each Sub-Fund invests no more than 10% of its net assets in the same UCITS or another UCI (except if provided otherwise in the investment policy of each Sub-Fund).

For the purpose of applying this investment limit, each Sub-Fund of a UCI with multiple Sub-Funds is to be considered as a different issuer, providing that the principle of segregating the liabilities of different Sub-Funds with regard to third parties is ensured.

6.12 Investments in units of UCIs other than UCITS cannot in total exceed 30% of a Sub-Fund's net assets.

When the SICAV invests in units of UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purpose of the limits set out in paragraphs 6.6 and 6.7 above.

When the SICAV invests in units of UCITS and/or other UCIs that are managed directly or by delegation by the same management company or by any other management company with which the management company is linked by common management or control, or by a direct or indirect holding, no subscription or redemption fees nor any investment management fee shall be borne by the SICAV within the context of its investments in other UCITS and/or other UCIs.

When the SICAV invests in units of UCITS and/or other UCIs other than those mentioned above, the maximum level of ongoing charges(excluding performance fees) borne by each Sub-Fund of the SICAV and by the UCITS and/or other UCIs in which it invests may not exceed 3.00% of each Sub-Fund's net assets.

In its annual report, the SICAV shall indicate the maximum percentage of ongoing charges charged both to each Sub-Fund and to the UCITS and/or to other UCIs in which each Sub-Fund has invested during the reporting year.

6.13 The SICAV's Sub-Funds may not acquire shares carrying voting rights which would enable the SICAV to exercise significant influence over the management of an issuing body;

In addition, the SICAV may not acquire more than:
- 10% of the non-voting shares of the same issuer;
- 10% of the bonds of the same issuer;
- 25% of the units of the same UCITS and/or another UCI;
- 10% of money market instruments of the same issuer.

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

6.14 The limits in paragraph 6.12 are not applicable to:

- transferable securities and money market instruments issued or guaranteed by any EU Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- transferable securities and money market instruments issued by public international organisations to which one or more EU Member States belong;
- share held by the SICAV in the capital of a company incorporated in a non-EU member State investing its assets mainly in securities of issuers having their registered office in that State if, under that State's legislation, such a holding represents the only way the SICAV can invest in the securities of the issuers of that State. However, this exemption is applicable only if the company of a non-EU Member State complies, in implementing its investment policy, with the limits established in paragraphs 6.6, 6.7, 6.8, 6.9, 6.10, 6.11 and 6.12**.**
- shares held by the SICAV in the capital of subsidiary companies carrying on solely for the exclusive benefit of the SICAV, management, advisory or marketing activities relating to the SICAV in the country where the subsidiary is located as far as the redemption of shares at the request of shareholders is concerned.

6.15 The SICAV is not required to observe:

a) the aforementioned limits when exercising subscription rights attached to transferable securities or money market instruments which form part of its assets ;

b) paragraphs 6.6 to 6.12, during a period of six months following the date of its approval, providing that it observes the principle of risk diversification;

c) The investment limits referred to in paragraphs 6.6 to 6.12 apply at the time transferable securities or money market instruments are purchased; if any of the limits referred to in this paragraph is exceeded, for reasons beyond the control of the SICAV or as a result of exercise of subscription rights, it must adopt as a primary objective for its sell transactions the remedying of that situation, taking the interests of shareholders into account.

d) To the extent that an issuer is a legal entity with multiple Sub-Funds where the assets of each Sub-Fund are exclusively reserved to the shareholders of this Sub-Fund and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that Sub-Fund, each Sub-Fund is to be considered as a separate issuer for the purpose of applying the risk diversification principles referred to in paragraphs 6.6 to 6.12 above.

6.16 The SICAV may not borrow for any of the Sub-Funds except:

a) where currencies are acquired through a back-to-back loan;

b) in the case of loans for amounts of up to 10% of net assets per Sub-Fund, providing that any such loans are temporary;

c) in the case of loans for amounts of up to 10% of net assets per Sub-Fund, providing that any such loans enable the purchase of immovable property deemed necessary for carrying out its activities; in any such case, these loans and those referred to under point b) of this paragraph may not, in any event, jointly exceed 15% of net assets per Sub-Fund of the SICAV.

6.17 The SICAV may neither grant loans to nor act as guarantor on behalf of third parties. This restriction does not prevent the SICAV from acquiring transferable securities, money market instruments, or other financial instruments referred to in paragraph 6.1 points e), g) and h) above, which are not fully paid.

6.18 The SICAV may not engage in the short selling of transferable securities, money market instruments, or other financial instruments referred to in paragraph 6.1) points e), g) and h) above.

6.19 The SICAV may not pledge or otherwise mortgage its assets, or transfer or assign them as a way of guaranteeing debt, except in the following cases:

- for back-to-back loans;
- for the loans foreseen in paragraph 6.15 above;
- for contracts requiring security to be offset or stood within the context of investment, hedging or securities deposit transactions, or where it resorts to the techniques and instruments referred to in Chapter 7 below, "Financial Techniques and Instruments". The depositing of securities or other assets in a separate account in relation to options or transactions involving forward contracts, futures or other financial instruments shall not be regarded as a

pledge, mortgage, transfer or assignment for the purpose of guaranteeing a debt.

6.20 Master – Feeder Structures

Each Sub-Fund may act as a feeder fund (the "**Feeder**") of a 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 on Undertakings for Collective Investment;
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 on Undertakings for Collective Investment;
c) movable and immovable property which is essential for the direct pursuit of the Sub-Fund's business.

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 the Prospectus. In its annual report, the SICAV shall include a statement on the aggregate charges of both the Feeder and the Master.

Should a Sub-Fund qualify as a Feeder, the Master may not charge any 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 a Master, the Feeder will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

6.21 Possibility for a Sub-Fund to invest in another Sub-Fund within the SICAV

Any Sub-Fund may invest in and acquire shares issued by one or more Sub-Funds within the SICAV ("**Target Fund(s)**") under the following conditions:

- the Target Fund does not, in turn, invest in the Sub-Fund;
- not more than 10% of the assets of the Target Fund may be invested in aggregate in Shares of other Target Funds;
- the voting rights linked to the transferable securities of the Target Fund are suspended during the period of investment;
- 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 Asset Value for the purposes of verifying the minimum threshold of the net assets imposed

by the Law of 17 December 2010 on Undertakings for Collective Investment; and

- there is no duplication of management, subscription and/or redemption fees between those at the level of the Sub-Fund having invested in the Target Fund, and those at the level of the Target Fund.

7. FINANCIAL TECHNIQUES AND INSTRUMENTS

The SICAV may equally make use of techniques and instruments with underlying transferable securities and money market instruments, within the limits and according to the conditions referred to in circular 08/365 issued by the CSSF on 4 June 2008, and providing that these techniques and instruments are:
(i) used for the purpose of an efficient portfolio management,
(ii) used to hedge exchange-rate and interest-rate risks within the context of investment management, or
(iii) used with a view to hedging risks relating to the evolution of the stock markets.

7.1 Derivative instruments

The SICAV must ensure that the global exposure relating to derivative instruments does not exceed the respective Sub-Fund's net assets. The risk is calculated considering the market value of the underlying instruments, counterparty credit risk, the market performance forecast, and the time necessary to liquidate the position. These rules likewise apply to the following:

- in the case of derivative instruments, the global exposure of the underlying instruments may not exceed the investment limits prescribed in Chapter 6 "Investment Restrictions" of this prospectus; whenever the SICAV invests in index-based derivative instruments, these investments will not necessarily be considered in the calculation of the limits prescribed in Chapter 6 "Investment Restrictions".

- If the underlying security of a derivative instrument is a transferable security or a money market instrument, then such instruments must be considered in the calculation of the restrictions illustrated in this Chapter 7 "Financial Techniques and Instruments".

7.2 Options on transferable securities

The SICAV is authorised to buy and sell put and call options, provided that they are traded on regulated market, which operates regularly, recognised and open to the public.

In reference to options transactions, the SICAV must comply with the following rules.

7.2.1 Rules applicable to the purchase of options

The total premium amount paid to purchase put and call options prescribed in this paragraph, combined with the total premium amount for the purchase of put and call options as described in paragraph 7.3.3. below, must not exceed 15% of the net asset value of each SICAV Sub-Fund.

7.2.2 Rules to ensure the hedging of underlying arising from options transactions

When a call option is sold, the SICAV's Sub-Funds involved must own the underlying securities or equivalent call options or other instruments that may be used to adequately hedge the underlying arising from the sell of the call option, e.g. warrants. The underlying securities to such sold call options may not be ceded until the options on them have expired, unless they are hedged by offsetting options or other instruments that may be used for the same purpose. The same applies to equivalent call options or other financial instruments held in each SICAV Sub-Fund if it does not own the underlying securities at the time of the sell of the corresponding options.

As an exception to the above rule, the SICAV's Sub-Funds may sell call options on securities that they do not hold at the time that the transaction is executed provided that the following conditions are met:

- the exercise price of the aforementioned sold call options must not exceed 25% of the net assets of each SICAV's Sub-Fund;

- each Sub-Fund involved must always be able to hedge the positions assumed as a result of such sells.

When a put option is sold, the Sub-Fund in question must hold, for the entire duration of the option contract, enough cash to pay for the securities that it would receive if the counterparty exercises its option right.

When the SICAV sells an uncovered call option, it is exposed to a risk of loss that is theoretically unlimited. When the SICAV sells a put option, it is exposed to a risk of loss if the price of the underlying securities falls below the exercise price minus the premium received.

7.2.3 Conditions and limits on the sell of put and call options

The sum of the underlying resulting from the sell of put and call options (excluding the sale of call options for which the SICAV has adequate coverage), combined with the sum of the underlying deriving from the transactions described in paragraph 7.3.3 below, must never exceed, in total, the net asset value of each SICAV Sub-Fund.

In this context, the obligation on the sell of put and call options corresponds to the sum of the options' exercise prices.

7.3 Futures and options contracts on financial instruments

Except for over-the-counter operations described in paragraphs 7.3.2 and 7.3.3 below, all transactions described in paragraph 7.3 may only be linked to contracts traded on a regulated market, which operates regularly, recognised and open to the public.

7.3.1 Stock index hedging transactions

For the purpose of a total hedging against the risk of unfavourable market movements, the SICAV may buy or sell futures contracts on stock indices, as well as sell call options or buy put options on such indices, provided that in all cases there is sufficient correlation between the index composition and the corresponding portfolio.

The overall obligation linked to stock index futures and options contracts must not exceed the total market value of the securities held by the Sub-Fund in the market corresponding to each index.

7.3.2 Interest rate risk hedging transactions

For the purpose of a total hedging against interest rate changes, the SICAV may sell interest rate futures or forward contracts. For the same purpose it may also sell call options or buy put options on interest rates or enter into over-the-counter interest rate swaps traded with top financial institutions specialised in this type of transaction.

The overall obligation on interest rate futures, options, and swap contracts must not exceed the total market value of the hedging assets held by the Sub-Fund in question in the currency corresponding to the currency of the aforementioned contracts.

7.3.3 Transactions for purposes other than hedging risks

The futures and options market is highly volatile and the risk of loss is very high.

In addition to options contracts on transferable securities and currencies, the SICAV may, for each Sub-Fund, for purposes other than hedging risks, both buy and sell futures and forward contracts and options contracts on any kind of financial instrument provided that the sum of the underlying deriving from such sell and buy transactions, combined with the total underlying resulting from the sell of put and call options on securities, never exceeds the net asset value of the Sub-Fund in question.

The sell of call options on transferable securities for which the SICAV is sufficiently hedged is not included in the calculation of the aforementioned total underlying to sell.

In this context, the underlying deriving from transactions not involving options on transferable securities is defined as follows:

- the underlying deriving from futures contracts is equal to the liquidation value of the net position of contracts involving such financial instruments (after having offset the buy and sell positions), without taking the respective expirations into account; and

- the underlying deriving from buy and sell options is equal to the sum of the exercise prices of the options that represent the net position sold as a ratio to the same underlying asset, without taking the respective expirations into account.

It has to be remembered that the total premium amount paid to purchase put and call options prescribed in this paragraph, combined with the total premium amount for the purchase of put and call options on transferable securities as described in paragraph 7.2.1. above, must not exceed 15% of the net asset value of each SICAV Sub-Fund.

7.4 Over-the-counter options

In addition to options listed on exchanges or traded on a regulated market, which operates regularly, recognised and open to the public, the SICAV is authorised to trade, with top financial institutions specialised in this type of transaction, over-the-counter (OTC) options if they can be easily adapted to the SICAV's specific conditions or if standard options are not available to satisfy the SICAV's particular needs.

In addition, the SICAV may use the financial instruments and techniques illustrated hereafter.

7.5 Securities Lending and borrowing

Each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks engage in securities lending transactions to the maximum extent allowed by, and within the limits set forth in, applicable Luxembourg regulations.

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs/fees will be returned to the relevant Sub-Fund.

Currently, no revenues arising from securities lending transactions is paid to any securities lending agent as direct and indirect fees/costs generated in the context of agency services provided, and none for the Management Company.

The SICAV will ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled 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.

The risk exposure to the counterparty arising from securities lending transactions and OTC financial derivative instruments should be combined when calculating the counterparty risk limits foreseen under section 6 “Investment Restrictions”.

The securities lending agent on behalf of the Sub-Fund will ensure that its counterparty delivers collateral either in the form of cash, or in the form of securities compliant with the applicable Luxembourg regulations.

Non-cash collateral received will not be sold, re-invested or pledged. It should comply with the criteria defined in the ESMA Guidelines 2012/832, i.e. in terms of liquidity, valuation, issuer credit quality, correlation and diversification with a maximum exposure to a given issuer of 20% of its net asset value.

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund, and in compliance with the requirements of the ESMA Guidelines 2012/832, as described below:

- placed on deposit with entities prescribed in Article 50(f) of the directive 2009/65/EC and as per article 41(1)f) of the Law of 17 December 2010
- invested in high-quality government bonds;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Reinvested cash collateral should be diversified in accordance with the diversification requirements applicable to non cash-collateral. To the extent required by the applicable Luxembourg regulations, reinvestments of such cash collateral must be taken into account for the calculation of the Sub-Fund’s global exposure.

For further details on the risks linked to such transactions, please refer to the section “Risk factors” of the Prospectus.

Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund. Each 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 Custodian Bank 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 its right to repurchase these securities, to the extent such securities have been previously sold by the relevant Sub-Fund.

7.6 <u>Repurchase and reverse repurchase agreement transactions</u>

Each Sub-Fund may on an ancillary basis enter into reverse repurchase and repurchase agreement transactions, which consist of a forward transaction at the maturity of which

- 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
- 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. The relevant Sub-Fund must ensure that, at maturity of the agreement, it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution to the Sub-Fund.

The Sub-Fund may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

Each 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 agreement must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the net asset value of the Sub-Fund.

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 are to be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.

The use of transactions involving derivative instruments or other financial techniques and instruments may not in any case lead the SICAV to deviating from its investment objectives as defined in this prospectus.

As for re-investing the guarantee ("collateral") received as part of securities lending transactions and repurchase agreements, investors are informed that the re-investment carries risks linked to the type of investment made. The re-investment of such collateral may generate a leverage effect that will be taken into account for the calculation of the SICAV's total risk.

7.7 <u>Collateral Management</u>

General

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the SICAV may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the SICAV in such case. All assets received by the SICAV in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

Eligible collateral

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

(a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

(b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;

(c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the SICAV's net asset value to any single issuer on an aggregate basis, taking into account all collateral received.

(e) It should be capable of being fully enforced by the SICAV at any time without reference to or approval from the counterparty.

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

(a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;

(b) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

(c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

(d) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;

(e) Bonds issued or guaranteed by first class issuers offering adequate liquidity; and

(f) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Level of collateral

The SICAV will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

The SICAV will determine efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in the Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Type of transaction	*Level of collateral (in relation to volume of transaction concerned)*
Securities lending transactions	90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent
OTC financial derivative transactions	0%*
Repurchase transactions	N/A
Reverse repurchase transactions	N/A

* e.g. if the counterparty risk is anyway lower than 10% when the counterparty is a credit institution or 5% in other cases.

Securities lending

The SICAV will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least 90% of the total value of the securities lent.

OTC financial derivative transactions

The SICAV will generally require the counterparty to an OTC derivative to post any collateral in favour of the Sub-Fund.

Haircut policy

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

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the SICAV for each asset class taking into account the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the SICAV under normal and exceptional liquidity conditions.

The following haircuts are applied:

Collateral Instrument Type	Haircut
Cash	5%
Government Bonds	20%

Reinvestment of collateral

Non-cash collateral received by the SICAV may not be sold, re-invested or pledged.

Cash collateral received by the SICAV can only be:

(a) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(b) invested in high-quality government bonds;

(c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the SICAV is able to recall at any time the full amount of cash on accrued basis; and/or

(d) 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 should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

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

8. RISK MANAGEMENT PROCEDURE

The Management Company, or its delegate will use a risk management procedure enabling it to monitor and measure, at any time, the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company or its delegate shall also use a method for accurate and independent assessment of the value of OTC derivative instruments.

Each Sub-Fund must ensure that the sum of commitments arising from derivatives instruments does not exceed the net value of the portfolio.

Such commitments are calculated considering the current value of the underlying asset, counterparty credit risk, changes in the futures contract market and the time needed to settle positions.

Each Sub-Fund may invest, in accordance with its investment policy and within the limits laid down in Chapter 6, in financial derivative instruments, providing that the commitments related to the underlying asset do not exceed the investment limits laid down in Chapter 6 («Investment Restrictions»).

When a Sub-Fund of the SICAV invests in derivative instruments whose underlying asset is composed of financial indices, such investments should not be considered when applying the limits foreseen in Chapter 6 («Investment Restrictions»).

When a transferable security or money market instrument incorporates a derivative instrument, the latter should be considered when applying the requirements of this Chapter.

Pursuant to Law of 17 December 2010, as well as regulations and circulars in force, specifically CSSF circular 11/512, each Sub-Fund must use a risk management procedure that assesses market exposure, liquidity risks and counterparty risks, as well as any other type of risk, including operational risks that prove to be material for the Sub-Fund.

9. MANAGEMENT OF THE SICAV

a. Management Company

The Board of Directors has appointed MDO Management Company, S.A. as the management company of the SICAV and its Sub-Funds.

The Management Company was established in Luxembourg on 4 May 2007, and its articles of incorporation were published in the *Mémorial* on 25 July 2007 under number B 128627. The Management Company has its registered office at 19, rue de Bitbourg, L-1273 Luxembourg. Its subscribed and paid-up share capital amounts to

€1,185,470. A list of the companies managed by the Management Company is available upon request at its registered office.

The Management Company is responsible for the execution of the duties concerning:
- the investment management of the SICAV;
- the central administration of the SICAV; and
- the distribution of the shares of the SICAV.

The Management Company, with the approval of the Board of Directors and in accordance with the applicable laws and regulations, has delegated the execution of the following duties to the following entities:

- the performance of the duties relating to the investment management of the SICAV and its Sub-Funds has been delegated to Banca del Sempione SA, having its registered office at Via P. Peri, 5, CH6901 Lugano, Switzerland (the "**Investment Manager**"). In such a capacity, the Investment Manager can appoint sub-investment managers as further detailed in section 10 "Investment Management" and the appendix I for each of the relevant Sub-Funds

- the performance of the duties relating to the central administration of the SICAV, including the transfer agency functions, has been delegated to Edmond de Rothschild (Europe), 20, boulevard Emmanuel Servais L - 2535 Luxembourg (the "**Administrative Agent, Registrar and Transfer Agent**").

- the performance of the duties relating to the distribution of the Shares of the SICAV (and its Sub-Funds) has been delegated to Banca del Sempione SA, having its registered office at Via P. Peri, 5, CH6901 Lugano, Switzerland which shall therefore act as distributor of the SICAV (respectively the "**Distributor**"). In such a capacity, the Distributor can appoint sub-distributors.

Notwithstanding the aforementioned delegation of duties to third parties, the Management Company remains responsible for the supervision of the respective delegated duties.

b. Remuneration of the Management Company

The Management Company is entitled to receive from the SICAV for its services an annual fee amounting to a maximum of 0.045% on the average assets under management with a minimum of 10.000€ per sub-fund.

10. INVESTMENT AND RISK MANAGEMENT

The Board of Directors is ultimately responsible for its management and control of its operations, as well as setting and implementing its investment policy The Board of Directors has delegated the investment management functions to the Management Company.

In relation to each Sub-Fund, the Management Company may, under its overall control and responsibility, delegate its functions, privileges and duties to purchase and sell securities and otherwise to manage the portfolios of the Sub-Funds for the account and in the name of the SICAV to one or several investment managers (the "**Investment Manager(s)**") whom it may consider appropriate.

The Investment Manager(s), if any, shall provide the Management Company with advice, reports and recommendations in connection with the management of the assets of the Sub-Fund(s) and shall advise the Management Company as to the selection of liquid assets and other securities and assets constituting the portfolios of the Sub-Funds. The Investment Manager(s) shall have discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company, to purchase and sell such liquid assets and other securities and otherwise to manage the portfolio(s) of the Sub-Fund(s). Any management activities of the Investment Manager(s) shall be subject to compliance with the investment objective, policy and restrictions of the relevant Sub-Funds as set out in this Prospectus as well as with any additional restrictions and directions notified by the Management Company to the relevant Investment Manager(s) from time to time.

Any Investment Manager(s) may sub-delegate its(their) powers to one or more sub-investment managers (the “Sub-Investment Manager(s)”).

Details on each Investment Manager or sub-investment manager appointed in relation to a Sub-Fund are provided in relation to such Sub-Fund in Appendix I.

On a quarterly basis, the SICAV shall pay to the Investment Manager an investment management fee calculated on the average net asset value of each Sub-Fund during the quarter to which it applies. The investment management fees specified per Sub-Fund are detailed in Appendix I.

For the risk management activity, the SICAV agrees to pay to the Investment Manager 0.05% per year per Sub-Fund calculated on the net asset value of each Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Furthermore the Investment Manager is entitled to receive a performance fee whose calculation and frequency are described in Appendix I for each of the relevant Sub-Funds.

Some or all these fees – investment and risk management fees and performance fees - may be paid by the Investment Manager to other third parties service providers, if any, such as Sub-Investment Managers, Investment Advisors, Distributors and Nominees as remuneration for the services provided in favour of the SICAV.

Once all the relevant third parties are paid, the Investment Manager will keep the remaining part of the management and performance fees.

As several Investment Managers may be appointed to manage the assets of a Sub-Fund, the Board of Directors shall assign each manager a portion of the portfolio of the relevant Sub-Fund, considering the proportions that the Board of Directors decides at its discretion. Each Investment Manager will ensure that the portion of the assets he manages is compliant with the investment policy and restrictions applicable to the Sub-Fund.

The Management Company or its delegates ensures also that each Investment Manager fulfils its obligations and that the investment policies and restrictions applicable for each Sub-Fund are complied with.

Soft dollar practices

When selecting brokers and negotiating transaction charges, the Investment Managers may consider research and other services and, as they deem appropriate, may use a portion of commissions generated when executing client transactions to acquire research and brokerage services. The Investment Managers shall provide the Management Company with such information or reports regarding the Investment Manager's soft dollar practices as the Management Company shall reasonably request.

11. INVESTMENT ADVISOR

One or several investment advisor(s) (the "**Investment Advisor**") may be appointed by the Management Company or by any appointed Investment Manager(s) in order to assist the Management Company / Investment Manager(s) in relation to the management of the assets of a Sub-Fund. The Investment Advisor(s) shall merely provide advice to the Management Company / Investment Manager(s), with the investment decision-making power remaining at all times within the Management Company / Investment Manager(s).

In case of the appointment of any Investment Advisor(s) by the Management Company / Investment Manager(s), the Management Company / Investment Manager(s) shall exercise reasonable care in the selection and supervision of the relevant Investment Advisor(s).

Details on each Investment Advisor appointed in relation to a Sub-Fund are provided in relation to such Sub-Fund in Appendix I.

12. CUSTODIAN BANK AND CENTRAL ADMINISTRATION

Edmond de Rothschild (Europe) was appointed by the Board of Directors as Custodian Bank of the SICAV's assets pursuant an agreement, stipulated for an unlimited duration, dated 10 July 2001 and replaced by a new agreement dated 16th December 2013. Edmond de Rothschild (Europe) is a 100% subsidiary of Edmond de Rothschild (Suisse) SA, Geneva, and carries out its banking activity in Luxembourg.

Either party may terminate the agreement with a 90 days notice.

The Custodian Bank or, in compliance with banking customs and under the Bank's responsibility, its correspondents, are entrusted with the SICAV's assets. The Custodian Bank shall exercise all its reasonable care in the selection and supervision of its correspondents and shall be responsible for transferring the SICAV's instructions and assets to such correspondents. Unless there is any negligence on its part, the Custodian Bank shall be held responsible for the activity carried out by its Correspondents only as long as it is reimbursed by the latter for damages caused to the SICAV. The Custodian Bank shall not be held responsible for the losses arising from a Correspondent's bankruptcy or insolvency unless the Custodian has been negligent in selecting or supervising it.

The Custodian Bank shall also ensure that:

a) the sale, issue, redemption and cancellation of shares are carried out by the SICAV or on its behalf, in compliance with the law or the SICAV's Articles of Incorporation;
b) in the transactions involving the SICAV's assets, the consideration is remitted to it within the usual timeframe;
c) the SICAV's profits are distributed in compliance with its Articles of Incorporation.

The Management Company appointed Edmond de Rothschild (Europe), having its registered office at 20 Boulevard Emmanuel Servais, L-2535 Luxembourg to act as administrative agent of the SICAV pursuant to an agreement dated 16th December 2013 (**the "Administrative Agent**"). In particular:

– the accounts shall be kept and the accounting records shall be available;
– issues, redemptions and conversions shall be executed;
– the Register of Shareholders shall be held;
– prospectus, financial reports as well as any other investment documents shall be drawn up;
– correspondence, financial reports and any other document addressed to shareholders or unitholders shall be sent from Luxembourg;
– the net asset value shall be calculated.

Remuneration of the Custodian Bank and the Administrative Agent

The SICAV pays fees and commissions to the Custodian Bank and the Administrative Agent in accordance with practices followed on the Luxembourg market. More in detail, the SICAV pays a commission calculated quarterly, based on the average net value of each Sub-Fund during the relevant quarter.

13. DISTRIBUTOR AND NOMINEE

The Management Company has appointed Banca del Sempione SA as distributor and nominee (the "**Distributor and Nominee**" or "**Nominee**").

The Distributor and Nominee may provide nominee services to its clients, who have invested and/or will invest in the SICAV, according to the terms and conditions prescribed in the Distributor and Nominee agreement in force which have been stipulated between the Management Company and the Distributor and Nominee, and in compliance with the regulations applicable in the distribution countries.

With reference to the Distributor and Nominee agreement, the Nominee shall be registered in the Register of Shareholders, instead of the clients who have invested in the SICAV. The terms and conditions of Distributor and Nominee agreement establish, among other things, that a client who has invested in the SICAV through a Nominee may, at any time, require that the shares thus subscribed shall be transferred to his/her name, as a result of which the client will be registered under his/her name in the Register of Shareholders with effect from the date on which the instructions are duly provided by the Nominee[1].

Copies of Distributor and Nominee agreements shall be available for review at the registered offices of the SICAV and of the Distributors and Nominee during office hours.

The investors shall know that shares may be subscribed through the Nominee or directly at the SICAV.

The Management Company 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. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the SICAV. Investors are advised to take advice on their rights.

Remuneration of the Distributor and Nominee

In addition to any subscription fees that it may receive, as described in Chapter 18 "Issue of Shares and Subscription and Payment Procedures" paragraph 18.1 "Current Subscriptions", the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors.

Such fees shall not be paid by the SICAV but by the Investment Manager, which gives up part of the fees paid from the SICAV, as indicated for each Sub-Fund in Appendix I.

14. CONFLICT OF INTEREST

[1] With reference to the Italian market, the Italian Paying Agent may act as nominee upon a mandate given by the retail investor when he subscribes the shares or in a second phase. Pursuant this mandate, the Italian Paying Agent will: i) collect and forward subscription, conversion, and redemption applications in cumulative form to the Transfer Agent; ii) register the shares in its own name on behalf of third-party name in the SICAV shareholder register; iii) execute all services and procedures necessary for the exercise of voting rights upon request of the shareholders; iv) make available to shareholders the documents and information received by the SICAV and in accordance with applicable laws. For more details regarding the mandate of the Italian Paying Agent, potential shareholders are invited to read the subscription form in force in Italy.

Conflicts of interest may arise between the SICAV and the persons or entities involved in providing services to the SICAV and/or Management Company and/or Sponsor and/or Investment Managers and/or other service providers or counterparties of the SICAV.

The Management Company, Sponsor and Investment Managers may respectively act as management company, sponsor and investment managers of other investment funds - incorporated by companies other than the SICAV, with similar objectives and that make investments similar to those made on behalf of the SICAV - and/or other clients and they may act in other capacity in respect of these other investment funds or clients.

Directors, shareholders, members, administrator, conducting persons, officers, or employees of the Management Company and/or Sponsor and/or Investment Managers may act as directors, shareholders, members, administrator, conducting persons, officers, or employees of sponsors and/or investment managers and/or advisors tied to other funds and clients.

Therefore it is possible for the Management Company, Sponsor and Investment Managers as well as their directors, shareholders, members, administrator, conducting persons, officers, or employees to be, in the course of their business, in a potential conflict of interest with the SICAV.

The Management Company, Sponsor and Investment Managers as well as their directors, shareholders, members, administrators, conducting persons, officers, or employees will endeavour to ensure that such conflicts are resolved fairly and in the SICAV's best interests.

The SICAV's directors and conducting persons may also be directors or conducting persons and/or act in another capacity for third-party investment funds.

Since the interest of such third-party investment funds and the SICAV's interest result in conflict, the SICAV's directors and conducting persons will endeavour to ensure that such conflicts are resolved fairly and in the SICAV's best interests.

Some of the SICAV's activities, such as, for example, investment management, investment advisory, risk management, distribution, and brokerage services, may be delegated to service providers belonging to Banca del Sempione SA group.

Banca del Sempione SA will endeavour to ensure that such conflicts are resolved fairly and in the SICAV's best interests.

15. SHARES

The shares must be fully paid-up and are issued without any mention of their value. There is no restriction on the number of shares that may be issued. The shares redeemed shall be cancelled.

The classes of shares available as at the date of this Prospectus are listed in paragraph 18.1 "Current subscriptions".

The shares are registered for each Sub-Fund.

No certificate representing registered shares shall be issued; instead, the Administrative Agent shall issue a confirmation of registration in the Register of Shareholders, held at the Administrative Agent's registered office.

Fractions of shares to four decimals shall be issued.

Each share bears a voting right. The rights assigned to the shares are those set out under Luxembourg Law of 10 August 1915 on commercial companies and subsequent modifications, providing there is no derogation under Luxembourg Law of 17 December 2010. Shareholders do not have any preferential subscription right for new shares. All shares may be freely transferred and have identical rights to the profits, liquidation proceeds and, where applicable, dividends, of the Sub-Fund they refer to. Fractions of shares do not bear any voting right but do participate in the distribution of dividends and the distribution of whatever proceeds arise from the liquidation of assets.

The SICAV draws the investors' attention to the fact that any investor may only be able to fully exercise their rights directly in the SICAV (in particular the right to participate in the general shareholders' meetings) provided that investor is registered himself and in his own name in the register of shareholders of the SICAV. If an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the SICAV. Investors are advised to take advice on their rights.

Shares held jointly

Shares may be held jointly; but the SICAV shall recognize only one person with the right to exercise the rights attached to each of the SICAV's shares. Unless decided differently by the Board of Directors, the person empowered to exercise these rights shall be the person whose name appears first in the subscription form.

16. NET ASSET VALUE

The net asset value per share for each Sub-Fund and, if there are more than one class of shares in a Sub-Fund, the net asset value per share for each class of shares, are calculated at such frequency indicated in the Sub-Fund Appendices (the "**Valuation Date**") and each last day of the financial year or half-year by the Administrative Agent under the responsibility of the Board of Directors and its delegate. The net asset value is not calculated on the first business day after the last day of the financial year or the half-year.

As an exception to the below valuation principles, the end-year or half-year net asset value shall be calculated considering the last prices of the relevant financial year or half-year.

The net asset value is expressed in the reference currency established for each Sub-Fund, in Chapter 4 “Investment Policy and Objectives”.

The net asset value per share of a Sub-Fund on a Valuation Date shall be determined by dividing the Company’s net asset value corresponding to such Sub-Fund, i.e. the Company’s assets attributable to such Sub-Fund minus the liabilities attributable to same Sub-Fund, by the number of the Sub-Fund’s outstanding shares on the Valuation Date and shall be rounded up or down to the nearest whole number in the Sub-Fund's base currency. In the case of more than one class in a Sub-Fund, the net asset value per share of a share class within the Sub-Fund on a Valuation Date shall be determined by dividing the Sub-Fund’s net asset value corresponding to the class, i.e. the Sub-Fund's assets attributable to the share class minus the liabilities attributable to same share class, by the number of the share class’s outstanding shares on said Valuation Date and shall be rounded up or down to the nearest whole number in the share class's base currency. To avoid all possible doubts, the unit of a Sub-Fund's or a share class's reference currency corresponds to this currency’s smallest unit (e.g. in the case of EUR, one cent).

The Board of Directors shall establish for each Sub-Fund a distinct portfolio of net assets. As far as relationships among shareholders are concerned, this portfolio shall be attributed only to those shares issued by the Sub-Fund concerned.

The total net asset value of the SICAV is expressed in Euro. The consolidation of the different Sub-Funds is obtained by converting in Euro the net assets of the different Sub-Funds and summing them.

The valuation of the net assets of the SICAV’s different Sub-Funds and/or share classes shall be assessed as follows:

I. The SICAV’s assets specifically consist of:

1. all cash on hand and cash deposits, including interest due but not yet received and interest accrued on such deposits until the Valuation Date;
2. all notes and bills payable at sight and accounts receivable (including the proceeds from the sale of securities not yet received);
3. all securities, units, shares, bonds, option or subscription rights and other investments and transferable securities owned by the SICAV;
4. all dividends and distributions receivable by the SICAV in cash or in securities which, to the best of the SICAV’s knowledge, were due;
5. all interest matured but not yet received and all interest accrued until the Valuation Date by securities owned by the SICAV, except where such interest is included in the principal of these securities;
6. the SICAV’s formation costs, insofar as they have not been amortised;
7. all other assets, whatever their nature, including prepaid expenses.

The value of these assets shall be determined in the following manner:

1. The value of cash in hand and on cash deposits, notes and bills payable at sight and accounts receivable, prepaid expenses and dividends and interest declared or matured but not yet received shall be valued on the nominal value of such assets, except where it seems unlikely that this amount will be received; in which case, the value shall be determined by deducting an amount that the Board of Directors considers adequate to reflect the real value of these assets.

2. The valuation of any security listed on an official stock exchange or any other regulated market, regularly operating, recognised and open to the public is based on the last known price in Luxembourg on the Valuation Date and, if this security is traded on several markets, on the basis of the last known price on its principal market; if the last known price is unrepresentative, the valuation shall be based on its probable realisation value, as estimated by the Board of Directors prudently and in good faith.

3. Futures contracts and options are valued considering the previous day's closing prices known in the market concerned. The prices used are the settlement prices known in the futures markets.

4. Securities not listed or traded on a stock exchange or any other regulated market, regularly operating, recognised and open to the public, will be valued in accordance with their probable realisation value, as estimated by the Board of Directors prudently and in good faith.

5. Securities denominated in a currency other than the relevant Sub-Fund's reference currency shall be converted using the average exchange rate of the relevant currency.

6. Units of Undertakings for Collective Investment are valued considering their last available net asset value.

7. Swaps are valued at their fair value, based on the last closing price known for the underlying security.

8. Money market instruments that are not listed or traded on a stock exchange or any other regulated market shall be valued at their nominal value plus accrued interest or on the basis of amortised costs.

9. All other transferable securities and assets shall be valued at their fair value, as determined in good faith and in accordance with the procedures established by the Board of Directors or by a committee designated for this purpose by the Board of Directors.

In determining the value of the SICAV's assets, the Administrative Agent shall refer to the information received from various quotation sources (including the administrative agents of the funds and brokers) and the instructions received from the SICAV's Board of Directors.

The Administrative Agent acts with all care and diligence requested and if there are not obvious errors in the valuations provided by the above-mentioned quotation sources, the Administrative Agent shall not be held responsible for the accuracy of the information provided. Nevertheless, for the non-listed securities referred to above the Administrative Agent, acting with all care and diligence requested, may rely on the valuations provided by the Board of Directors or by a person duly authorised for this purpose by the Board of Directors, or by other appropriate quotation sources (e.g. administrative agents of the funds).

Should one or more quotation sources fail to provide valuations to the Administrative Agent, then the latter shall be authorised not to calculate the net asset value and, as a result, shall not determine the subscription and redemption price. The SICAV's Board of Directors must be notified immediately by the Administrative Agent were any such situation to arise. Were this to occur, then the Board of Directors may decide to suspend the net asset value calculation in accordance with the procedures described in Chapter 17 entitled "Suspension of Net Asset Value Calculation and of the Issuing, Redemption, and Conversion of Shares".

II. The SICAV's liabilities shall include specifically:

1. all borrowings, bills due and accounts payable;

2. all known debt securities, matured or not, including all matured contractual obligations that require payments in cash or in kind (including dividend amounts that have been declared by the SICAV but not yet paid);

3. all reserves, authorised or approved by the Board of Directors, particularly those established to covering potential capital losses on certain investments made by the SICAV;

4. all other liabilities, whatever their nature, with the exception of those represented by the SICAV's own resources. In order to assess the value of these other liabilities, the SICAV shall take into account all expenses to be borne by it, including, without limitation: formation costs and costs of subsequent amendment of the Articles of Incorporation, fees and costs due to the advisors, Management Company, Managers, Distributors and Nominees, Custodian Bank, Correspondent Agents, Administrative Agent, Transfer Agents, Paying Agents, brokers or other agents and officers of the SICAV, as well as to the SICAV's permanent representatives in those countries where it is subject to registration; the costs of legal assistance and of auditing the SICAV's Annual Reports, promotion costs, printing and publishing costs for documents for the sale of shares, the printing costs for annual and semi-annual financial reports, the costs of holding Shareholders' Meetings and Board of Directors meetings, reasonable travel expenses incurred by the directors and managers; attendance fees; registration notification fees; all taxes and duties charged by Government authorities and stock exchanges, and the cost of publishing issue, redemption and conversion price as well as all other operating costs, including financial, banking and brokerage costs incurred further to the purchase or sale of assets or other instruments and all other administrative charges.
When determining the amount of these liabilities, the Company shall consider *prorata temporis* all expenses – administrative or otherwise – of an ordinary or periodic nature.

5. As far as relationships between shareholders are concerned, each Sub-Fund is considered a separate entity, generating without restriction its own contributions, capital gains and capital losses, expenses and charges. The SICAV constitutes one and the same legal entity, while in dealings with third parties and, in particular dealing with SICAV's creditors, each Sub-Fund shall be exclusively liable for its liabilities.

Any assets, liabilities, charges and expenses that are not attributable to a Sub-Fund shall be imputed to the various Sub-Funds in equal proportion or, where the amounts involved justify it, on a *prorata* basis to their respective net assets.

III. Each SICAV share in the process of redemption, shall be considered as a share issued and existing until the close of business of the applicable Valuation Date for the redemption of this share, and its price - from the close of business of this day and until the price has been paid - shall be regarded as a liability for the SICAV.

Each share to be issued by the SICAV, in accordance with the subscription applications received, is deemed to be issued after the close of the Valuation Date on which its issue price is determinated and its price shall be treated as an amount due to the SICAV until it has been received by it.

IV. Insofar as is possible, every investment or disinvestment decided by the SICAV until the Valuation Date shall be taken into account.

17. SUSPENSION OF NET ASSET VALUE CALCULATION AND OF THE ISSUE, REDEMPTION AND CONVERSION OF SHARES

The Board of Directors is authorised to suspend temporarily the calculation of the net asset value of one or more Sub-Funds of the SICAV, as well as the issue, redemption and conversion of shares in the following situations:

a) for the entire period during which a market or stock exchange that is the principal market or stock exchange where a substantial portion of a SICAV Sub-Fund's investments is listed, is closed, except for normal closing days, or the trading is subject to significant restrictions or is suspended;

b) whenever the political, economic, military, monetary, social situation or any event of *force majeure*, falling outside the responsibility or powers of the SICAV, makes it impossible to value or have access to its assets in any reasonable and normal way, without seriously prejudicing the interests of the shareholders;

c) whenever an interruption in the means of communication normally used to determine the price of a significant part of the investments of a Sub-Fund of the SICAV prevents the net asset value from being correctly calculated within a normal timeframe;

d) whenever forex restrictions or capital movement prevent transactions from being effected on behalf of the SICAV or whenever transactions involving the buying and selling of the SICAV's assets cannot be realised at normal exchange rates;

e) where so decided by the Board of Directors, on the understanding that the principle of equality among shareholders as well as all applicable laws and regulations are duly observed, (i) from the convening of a Shareholders' Meeting that is to resolve upon the liquidation/winding-up of the SICAV, a Sub-Fund or a class of shares, or, (ii) providing that the Board of Directors can resolve in this regard, from when the Board of Directors passes resolutions on the liquidation/winding-up of a Sub-Fund or a class of shares;

f) once there is no means of determining the price of the Undertakings for Collective Investment in which the SICAV has invested (when the calculation of the net asset value of the Undertaking for Collective Investment concerned is suspended); and

g) in case a Sub-Fund qualifies as a feeder fund of a master fund, following the suspension of (i) the calculation of the net asset value per share/unit, (ii) the issue, (iii) redemption, and/or (iv) the conversion of the shares/units issued within the master fund in which the Sub-Fund invests.

Whenever exceptional circumstances may adversely effect the interests of the shareholders, or in the event of big redemption requests as described in Chapter 20 "Redemption of Shares", the Board of Directors reserves the right to determine the value of a share only after the necessary assets have been sold, as quickly as possible, on behalf of the Sub-Fund.

Those subscribers and shareholders submitting shares for redemption or conversion shall be notified that the calculation of the net asset value has been suspended upon receipt of their subscription, redemption or conversion requests.

The subscription, redemption and conversion requests suspended may be withdrawn by way of a written notice if it is received by the SICAV before the end of the suspension period.

Pending subscriptions, redemption and conversions shall be taken into account on the first Valuation Date following the end of the suspension period.

18. ISSUE OF SHARES AND SUBSCRIPTION AND PAYMENT PROCEDURES

Shares are issued for different share classes within each Sub-Fund, at any time and with no restriction.

The Sub-Funds currently open for subscription are those described in Chapter 3 “General Characteristics of the SICAV”.

18.1 Current subscriptions

The investor has the choice to indicate in the subscription applications the number of shares or the amount, in the classes of shares specified for each Sub-Fund in Appendix I.

After the close of the initial subscription period, subscription applications received by the SICAV by 3:00 pm on the business day before the relevant Valuation Date (Luxembourg time), if accepted, will be processed based on the relevant share class’s net asset value determined on the Valuation Date. Applications received after the cut-off time will be processed on the next Valuation Date.

A subscription fee may be received by authorised intermediaries as specified for each of the relevant Sub-Funds in Appendix I.

Subscribers are advised that additional fees may be charged by local paying agents or similar entities in countries where the SICAV is distributed.

Investors may pay the subscription price for each share no later than five bank business days after the applicable Valuation Date.

The amounts subscribed shall be payable in the reference currency of the Sub-Fund and of the share class concerned, and should be paid into the appropriate account of the Administrative Agent, in accordance with the payment instructions stipulated in the subscription documents available at the registered office of the SICAV and at the registered office of the Representative in Switzerland. Subscription applications in other freely convertible major currencies shall be accepted, but in such cases exchange expenses shall be borne by the subscriber.

Shares may, at the discretion of the Board of Directors, be issued taking into account the contribution to Sub-Funds in transferable securities inasmuch as those latter observe the investment policies and the restrictions set out in this prospectus and their value is equal to the issue price of the respective shares. Any transferable securities added to the Sub-Fund shall be valued separately in a special report produced by the SICAV's auditor, at the expense of the subscriber concerned. These contributions in kind in transferable securities, are not subjected to any brokerage charges. The Board of Directors shall only accept this option if (i) it is a request of the investor concerned; and (ii) the transfer does not negatively affect the existing shareholders.

The SICAV reserves the right to:

a) Refuse some or all of a share subscription application,
b) Redeem, at any time, shares held by persons who are not authorised to buy or own the SICAV's shares.

The SICAV may authorise the subscription of shares through savings plans whose conditions will be determined in compliance with the laws and the provisions in force in the jurisdictions where it is offered. The conditions will be described in the sell documents (i.e. subscription form) available in these countries.

18.2 Restrictions imposed on the subscription and holding of shares and anti-money laundering measures

Anti-money laundering measures require the detailed verification of investors' identities pursuant to the Luxembourg laws and regulations relating to anti-money laundering requirements. The SICAV (as well as the Management Company and the Administrative Agent acting on behalf of the SICAV) reserves the right to request all the necessary information to verify an investor's identity according to the aforementioned laws and regulations. In the event that the investor is late producing, or fails to produce, the information required for verification purposes, the SICAV (as well as the Management Company, each intermediary and Administrative Agent acting on behalf of the SICAV) may refuse to accept the subscription and the payments associated with it.

The Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Management Company or the Board of Directors might result in the SICAV incurring any liability or taxation or suffering any other disadvantage which the SICAV may not otherwise has incurred or suffered

According to the Board of Directors of the SICAV, the SICAV qualifies as a Collective Investment Vehicle pursuant to the IGA and is as such as "deemed-compliant" FFI under FATCA. Therefore all Shares of the SICAV, except for Shares globally amounting to less than USD 50,000- may only be issued, sold or otherwise transferred to or held by or through exempt beneficial owners under the IGA, active non-financial foreign entities as defined by the IGA, US Persons that are not Specified US Persons, or Financial Institutions that are not Non-Participating Financial Institutions.

In case the SICAV discovers that any Shares in the SICAV are not held by a Shareholder falling with one of the above-mentioned eligible categories, the SICAV may charge such Shareholders with any taxes or penalties imposed on the SICAV attributable to such Shareholders' non-compliance under the IGA and FATCA, and the SICAV may, in its sole discretion, redeem such Interests.

Furthermore, the SICAV may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of other investors and/or the relevant Sub-Fund or the SICAV as a whole.

18.3 Personal data protection

The Management Company and the SICAV may, at any time, collect data supplied by an existing or potential shareholder in order to develop and process the business relationship between the existing or potential shareholder and the Management Company or the SICAV, and for other related activities. If an existing or potential shareholder does not provide the data in a satisfactory manner for the Management Company or the SICAV, the Management Company or the SICAV may restrict or prevent title to the shares and the Management Company, the SICAV, the Administrative Agent and/or the Distributors (depending on the particular situation) shall be protected and indemnified against all losses arising from the restriction or the impediment on the property of the shares.

On completing and returning a subscription form, shareholders give their consent to their personal data being used by the Management Company or the SICAV. The Management Company and the SICAV may send the personal data to their agents and service providers, or whenever they are required to do so by law or by a surveillance authority. The shareholders shall, upon written request, have a right to access their personal data as provided to the Management Company or the SICAV. The shareholders may request correction of their personal data in writing and the Management Company and the SICAV shall correct them upon written request. All personal data shall only be stored by the Management Company and the SICAV for the time necessary for data-processing purposes.

The Management Company and the SICAV may need to transfer personal data to entities located outside the European Union, which may not provide an adequate legal level of data protection. The Management Company and the SICAV shall comply with Luxembourg legislation on data protection concerning personal data.

The Distributors may use personal data to regularly inform shareholders about other products and services that the Distributors consider to be of interest to the shareholders, unless the shareholders have indicated to the Distributors in their subscription form or in writing that they do not wish to receive such information.

19. TRANSFER AND CONVERSION OF SHARES

19.1 Transfer of shares

Registered shares may usually be transferred by providing the Administrative Agent with a suitable transfer instrument. Upon receiving a transfer request, the Administrative Agent may – after having examined the endorsement(s) – ask the signatures to be guaranteed by an approved bank, broker or notary. The shareholders are advised to contact the Administrative Agent before the transfer, in order to ensure that the bank has the right documents to proceed with the transaction.

19.2 Conversion of Shares

Any shareholder may request total or partial conversion of the shares held in a share class into shares of another class in the same or in a different Sub-Fund, at a price equal to the net asset value of the shares held in the different classes.

No conversion fee is applied. However, subscribers are advised that additional fees may be charged by local paying agents or similar entities in countries where the SICAV is distributed.

Shareholders requiring a conversion must submit a written request, by fax, to the Administrative Agent, indicating the number of shares to be converted. The application must be accompanied by a conversion form duly filled out or by any other document confirming the conversion. The Administrative Agent must receive the application no later than 15:00 pm (Luxembourg time) on the business day before the Valuation Date.

The number of shares allocated to the new Sub-Fund is determined according to the following formula:

$$A = \frac{(B \times C \times D)}{E} +/- Xp$$

A is the number of shares to be allocated to the new class,

B is the number of shares to be converted from the initial class,
C is the net asset value on the applicable Valuation Date of the shares to be converted from the initial class,
D is the applicable exchange rate between the currencies of the two classes on the effective transaction date,
E is the net asset value on the applicable Valuation Date of the shares to be allocated to the new class.

Shares may be converted in fractions up to four decimal points.

Xp is the remaining balance after the conversion that will be reimbursed if the amount exceeds 1% of the net asset value of the initial Sub-Fund. If less than 1%, the amount will go in favour of the initial class, Shareholders have the right to request reimbursement of amounts not allocated.

After the conversion, the Administrative Agent will inform the investor of the number of new shares obtained as a result of the conversion and their price.

20. REDEMPTION OF SHARES

Any shareholder may, at any time, request total or partial redemption of shares held in the SICAV. The shares redeemed by the SICAV shares will be cancelled.

The redemption request must be submitted in writing, by fax, to the Administrative Agent. The request must be irrevocable (except for the provisions pursuant to Chapter 17 “Suspension of Net Asset Value Calculation and of Issuing, Redemption, and Conversion of Shares”), and it must indicate the number of shares to be redeemed, the name in which they are registered, the Sub-Fund and share class, and all useful references to execute payment of the redemption.

To be executed on a certain Valuation Date, the redemption request must be received by the Administrative Agent in Luxembourg by 3:00 pm (Luxembourg time) on the business day before the Valuation Date. The redemption price is equal to the net asset value per share determined on the relevant Valuation Date.

No redemption fee is applied. However, subscribers are advised that additional fees may be charged by local paying agents or similar entities in countries where the SICAV is distributed.

Payment for the redeemed shares is executed no later than 5 banking business days after the applicable Valuation Date, provided that all the documents pertaining to the redemption have been received by the Administrative Agent.

Payment will be executed in the currency of Sub-Fund, in the currency of the class of shares, or in any other currency indicated in the redemption request, in which case the exchange cost will be borne by the investor.

Nevertheless, if on a Valuation Date, redemption and conversion requests are superior to 10% of a Sub-Fund’s net assets, the Board of Directors may decide that the part of the redemption or conversion requests exceeding 10% of the Sub-Fund’s net assets should be carried forward to the next Valuation Date, all redemption and conversion requests shall be reduced on a prorata basis. Requests thus postponed shall be taken into account prior to any further requests, subject however that the Board of Directors may carry forward any applications in excess of the previously mentioned 10% limit.

The Board of Directors may, at its discretion, but according to the laws in force and after receiving an audited report produced by the SICAV's auditor at the expense of the shareholder concerned, pay the redemption price to the relevant shareholder by way of a contribution in kind in transferable securities or in other assets of the relevant Sub-Fund, until the redemption amount is reached. The Board of Directors shall only use this option if (i) it is requested by the shareholder concerned; and (ii) the transfer does not negatively affect the remaining shareholders.

The redemption price of the SICAV's shares may be higher or lower than the purchase price paid by the shareholder when the shares have been subscribed, depending on whether their net value has increased or decreased in the meantime.

Late Trading

The term "late trading" refers to the acceptance of a subscription, conversion or redemption order received after the cut-off time established for the acceptance of orders on a given day and such order is executed at a price based on the Net Asset Value ("NAV") applicable on the same day.

The SICAV believes that no "late trading" practice may be allowed at all, since it breaches the requirements of this prospectus, which establish that an order received after the cut-off time for the acceptance of orders is executed at a price based on the next applicable NAV. As a result, subscriptions, conversions and redemptions should be considered on the basis on an unknown NAV.

The cut-off time established for the acceptance of the aforementioned orders is indicated in this Chapter as well as in Chapters 17 and 18.

Market timing

The term "market timing" refers to the arbitrage procedure through which an investor systematically subscribes and redeems or converts units or shares of the same UCI within a short timeframe, by taking advantage of time differences and/or imperfections or deficiencies in the system used to determine the UCI's NAV.

Subscriptions, redemptions and conversions are always carried out at an unknown Net Asset Value. The SICAV does not authorise practices associated with market timing, and reserves the right to reject any subscription, redemption and conversion order coming from an investor whom the SICAV suspects of engaging in such practice and to take all necessary measures to protect the other SICAV's investors.

21. DISTRIBUTION POLICY

The shares in the “bond” Sub-Funds and in the “short-term” Sub-Fund are distribution shares. Consequently for these Sub-Funds, investors are paid a dividend which they may re-invest in the SICAV. However, income generated by the BASE INVESTMENTS SICAV – BONDS - MULTICURRENCY Sub-Fund is automatically re-invested.

Shares of the other Sub-Funds are capitalisation shares. Income generated by the shares in these Sub-Funds is automatically re-invested. However, in any fiscal year, the Board of Directors may propose, at the Annual Shareholders’ Meeting, a dividend pay-out to investors in these Sub-Funds in accordance with laws in force in Luxembourg.

For the “bond” Sub-Funds and the “short-term” Sub-Fund, the Board of Directors may decide for an interim dividend payment on the year just concluded or the current year in accordance with law.

If the Board of Directors decides to propose a dividend payment to the Annual Shareholders’ Meeting, the dividend payment is calculated in accordance with laws and Articles of Incorporation in force at the time. Shareholders registered in the Shareholders Register will be paid by cheque sent to the address indicated in the Register or by bank transfer in accordance with instructions given. Investors will have the option of re-investing their dividends without charges up to the last available integer unit. Dividends not claimed within five years after the payment date will be forfeited for the beneficiaries and transferred back to the relevant Sub-Fund.

The Annual Shareholders’ Meeting passes the resolution on dividend pay-outs.

22. TAXATION

22.1 Taxation of the SICAV

By virtue of legislation in force and based on common practice, the SICAV is not subject to any Luxembourg income and capital gains tax.

The SICAV, however, is subject to an annual tax in Luxembourg of 0.05% of the net assets of each Sub-Fund, except for the BASE INVESTMENTS SICAV – SHORT TERM Sub-Fund and the EUR institutional share classes of BASE INVESTMENTS SICAV – Bonds – Multicurrency, BASE INVESTMENTS SICAV – I.D.E.A. and BASE INVESTMENTS SICAV – EURO HEDGING which will benefit from a reduction in this tax (*taxe d’abonnement*) to 0.01% of their net assets.

This tax is payable quarterly based on the SICAV’s net assets calculated at the end of the quarter to which the tax is applicable.

Some of the SICAV portfolio’s income paid in the form of dividends and interest may be subject to variable rate withholding taxes at the source charged in the country of origin.

22.2 Taxation of the Shareholders

Shareholder’s tax residence
A shareholder does not obtain tax residence in Luxembourg solely based on holding, transfer, conversion, or delivery of shares.

Income tax

Income tax on non-resident shareholders

Shareholders that are not Luxembourg residents and who do not have a permanent establishment or a permanent representative in Luxembourg which the shares can be attributed to, are not according to the law subject to any Luxembourg income tax.

In particular, dividends paid out by the SICAV to such shareholders are not subject to any withholding tax. Such exemption must, however, take into account the Law of 21 June 2005 (hereafter the "**Law**") implementing European Directive 2003/48/EC on the taxation of savings income in the form of interest payments (hereafter the "**Savings Directive**”) and various agreements signed between Luxembourg and several European Union states.

In application of the Law, a Paying Agent in Luxembourg (pursuant to the Savings Directive) must, as of 1 July 2005, apply withholding tax on interest and other similar income (including the redemption premium received at maturity) that it pays to (or, in some cases, in favour of) an individual with residence or permanent address in a European Union member-state or a residual entity pursuant to article 4.2 of the Savings Directive (i.e. an entity that has no legal identity, except (1) a Finnish-law *avoin yhtiö, kommandiittiyhtiö* / *öppet bolag* or *kommanditbolag* and (2) a Swedish-law *handelsbolag* or *kommanditbolag*, and whose net income is not taxed pursuant to general business tax provisions and that is not, or has not opted to be, considered an authorised UCITS pursuant to Directive 2009/65/EC) (hereafter “**Residual Entities**”) whose residence or permanent address is in a European Union member-state or individual or Residual Entities resident in one of the following territories: Aruba, Guernsey, Isle of Man, British Virgin Islands, Jersey, Montserrat, and the former Netherlands Antilles, including Bonaire, Curaçao, Saba, Saint Eustatius and Saint Martin, unless the beneficiary of the payment consents to an exchange of information.

The withholding tax rate is currently 35%.

As defined in the draft amendment to the Savings Directive, interest could soon include (i) the SICAV's net income distribution deriving from interest payments (unless the SICAV’s investment does not exceed 15%) and (ii) revenue from the transfer, reimbursement, or redemption of shares, provided that the SICAV directly or indirectly invests more than 25% of its assets in credit and to the extent that such revenue corresponds to income directly or indirectly deriving from interest payments. The draft amendment extends the Savings Directive’s scope of application to income from investment in several innovative financial products, as well as in several life-sector insurance products. Shareholders must inform themselves or seek information from their local advisors on any consequences that the Savings Directive once amended may have on their investments.

On the other hand, shareholders that are non-resident legal entities with a permanent establishment or representative in Luxembourg to whom the shares can be attributed, must include in their taxable income in Luxembourg all income received, as well as all gains realised on the transfer, disposal, or redemption of shares. The same rule applies to individuals who are self-employed or manage their own business who have a permanent establishment or representative in Luxembourg to whom the shares can be attributed. The amount of taxable capital gains is equal to the difference between the sell or redemption price and the lesser of purchase price and book value of the shares sold or redeemed.

Income tax on resident shareholders

Resident shareholders are not subject to income tax in case of reimbursement of capital contributed to the Company.

Resident individual

Dividends and other payments deriving from shares received by resident individual shareholders who manage their own private assets or are self-employed or manage their own business are subject to income tax based on a progressive tax bracket system.

Capital gains realised on the transfer, disposal, or redemption of shares by individual shareholders resident in Luxembourg who manage their own private assets are not subject to Luxembourg income tax provided that such transfer, disposal, or redemption takes place more than six months after the subscription of the shares and that the shares are not part of a significant equity stake. An equity stake is considered significant if (i) the shareholder, individually or jointly with spouse/partner and/or minor children, has owned directly or indirectly more than 10% of share capital at any time in the five years previous to the day of the transfer or (ii) the shareholder owns an equity stake as a result of free transfer over the five years previous to the day of the transfer and if the previous owner or, in case of later sell by free transfer, one of the previous owners, owned directly or indirectly more than 10% of share capital at any time over the five years previous to the sell, individually or jointly with spouse/partner and or minor children.

Capital gains realised on the transfer, disposal, or redemption of a significant equity stake more than six months after subscription of the shares are subject to tax based on the so-called "half total rate" method, i.e. the rate applicable to total income is calculated based on the progressive tax bracket and half of such rate is applied to the capital gain generated from the transfer of the significant equity stake.

The concept of disposal includes sell, exchange, contribution and any other type of transfer of the equity stake.

Resident companies

Resident capital companies that own shares must include in their taxable income in Luxembourg any dividend received, as well as any capital gains realised on the transfer, disposal, or redemption of shares. The amount of taxable capital gains is equal to the difference between the sell or redemption price and the lesser of subscription price and book value of the shares sold or redeemed.

Resident companies benefit from an exceptional tax scheme

Shareholders that are resident capital companies that benefit from exemption tax rules (as the rules applicable to undertakings for collective investment subject to the Law of 17 December 2010, specialised investment funds subject to the Law of 13 February 2007, and management companies of family asset regulated by the Law of 11 May 2007) are exempt entities and therefore not subject to any income tax in Luxembourg.

Property tax

Shareholders are subject to asset tax as owners of shares if (i) they qualify as resident capital companies other than undertakings for collective investment subject to the Law of 17 December 2010, securitisation companies subject to the Law of 22 March 2004 on securitisation, companies regulated by the Law of 15 June 2004 on risk capital investment companies, specialised investment funds subject to the Law of 13 February 2007 on specialised investment funds, and management companies of family asset regulated by the Law of 11 May 2007 on the incorporation of family asset management companies or if (ii) the shares may be attributed to a permanent establishment or representative in Luxembourg of a non-resident capital company.

Value Added Tax

For the purposes of Luxembourg Value Added Tax, the SICAV is considered a taxpayer without the right to deduct VAT incurred at the source for operational needs. It can benefit from VAT exemption on services received if such services pertain to fund management. Other services rendered in favour of the SICAV may be subject to VAT and require, if provided from abroad, registration of the SICAV for Luxembourg VAT purposes for automatic payment of VAT due in Luxembourg for the receiving of such services.

Normally no VAT tax is due on payments made by the SICAV in favour of its own shareholders if such payments pertain to subscription of shares and hence are not payment received for the providing of taxable services.

23. CHARGES AND COSTS

The SICAV will pay for its incorporation costs, including costs for drafting and printing the prospectus, notary fees, registration costs with the administrative and securities exchange authorities, and every other cost in connection with the incorporation and launch of the SICAV.

Formation expenses are amortised over the first five accounting years.

If a new Sub-Fund is formed in future, it will pay for its own incorporation costs which will be amortised over a five-year period, starting from the launch date of this Sub-Fund.

Costs and charges not attributable to a particular Sub-Fund are chargeable to the different Sub-Funds proportionately to their respective net assets.

The SICAV bears all operating costs illustrated in Chapter 16 “Net Asset Value”, paragraph II 4.

24. GENERAL SHAREHOLDERS’ MEETINGS

General Shareholders’ Meeting is held each year at the SICAV’s registered office or at any other place in Luxembourg, as indicated in the convening notice.

The annual General Meeting is held on the first Thursday in July every year. If such day is a holiday, the annual General Meeting will be held on the preceding business day.

Notices for all General Meetings shall be sent by letter to all shareholders registered in the Register of Shareholders, to their address indicated in the Register, at least 8 days before the General Meeting.

Such notices shall indicate the time and place of the General Meeting as well as the admission requirements, the agenda and all the Luxembourg legal requirements concerning quorum and majority.

Any amendment to the Articles of Incorporation that leads to a change in the rights of a Sub-Fund must be approved by a resolution passed by a General Meeting of Shareholders of the Sub-Fund concerned.

25. WINDING-UP - MERGER

25.1 Winding-up of the SICAV’s Classes

The SICAV may be liquidated further to a resolution of the General Meeting acting as specified in the law regarding the amendments of the Articles of Incorporation.

Any such resolution to wind up the SICAV shall be published in the *Mémorial.*

Once the resolution of winding-up takes effect, the issue, redemption, and conversion of shares of any Sub-Fund involved shall be prohibited or the relevant shares shall otherwise be declared null and void.

If the share capital is less than two-thirds of the minimum capital prescribed by law, the Board of Directors shall convene a General Meeting to propose the question of winding up the SICAV. The General Meeting shall debate without conditions of quorum and decide by simply majority of the shares represented. If the SICAV’s share capital is less than one quarter of the minimum capital, the Directors shall present the issue of winding up the SICAV to the General Meeting without any conditions of quorum; the winding-up may be declared by those shareholders holding one quarter of the shares represented at the meeting.

The General Meetings must be convened in such a way that it is held within forty days of the date when it is declared that the SICAV's assets are less than two-thirds or one quarter of the minimum capital requirement respectively.

The winding-up of the SICAV, if decided, shall be carried out by one or more liquidators, who may be individual persons or legal entities and who shall be appointed by the General Meeting of shareholders. Said meeting shall determine their powers and emoluments.

Winding-up procedures shall be effected in compliance with the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment, specifying the way in which the net proceeds of said winding-up procedures - after liquidation charges have been deducted - are to be distributed among the SICAV's shareholders: liquidation proceeds shall be distributed to the shareholders proportionately to their respective rights.

Upon completion of the SICAV's winding-up, any amounts remaining unclaimed by the shareholders shall deposited with the *Caisse de Consignations*, which shall keep them available for the entire duration prescribed by law. At the end of this period, any balance remaining shall be returned to the Luxembourg state.

25.2 <u>Winding-up of Sub-Funds and Share Classes</u>

The General Shareholders' Meeting of a Sub-Fund, capable of passing resolutions under the same quorum and voting conditions as in deliberating amendments to the Articles of Incorporation, may decide to annul the shares of such Sub-Fund and pay back the shareholders of this Sub-Fund the value of their shares.

If the net assets of a Sub-Fund fall below the equivalent of EUR 10,000,000 or if there is a change in the economic or political situation pertaining to the relevant Sub-Fund that justifies its liquidation, the Board of Directors may decide a forced redemption of the shares remaining in this Sub-Fund with no need of shareholders' approval. Similarly, the Board of Directors may decide to liquidate any class of shares that it deems no longer valid.

Holders of registered shares shall be notified by post of the liquidation resolution. This letter shall indicate the reasons and the liquidation procedures. Unless the Board of Directors decides otherwise in the interests of the shareholders and for the purposes of upholding equal treatment towards the shareholders of the Sub-Fund or share class involved, they may continue to apply for redemption or conversion of their shares without additional cost, though the redemption or conversion price includes liquidation expenses.

At the conclusion of the liquidation of the Sub-Fund or share class, any amounts remaining unclaimed at the Custodian Bank by the shareholders shall be deposited with *Caisse de Consignations*, which shall keep them available for the entire duration prescribed by law. At the expiration of this term, any balance remaining shall be returned to the Luxembourg State.

25.3 Mergers of Sub-Funds and Share Classes

Mergers decided by the Board of Directors

The Board of Directors may decide to proceed with a merger (within the meaning of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment) of the SICAV or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

A) Merger of the SICAV

The Board of Directors may decide to proceed with a merger of the SICAV, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign Undertaking for Collective Investment in Transferable Securities (the "**New UCITS**"); or
- a sub-fund thereof,

and, as appropriate, to re-designate 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 is the receiving UCITS (within the meaning of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment), solely the Board of Directors will decide on the merger and effective date thereof.

In the case the SICAV is the absorbed UCITS (within the meaning of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment), and hence ceases to exist, the General Meeting 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 cast at such meeting.

B) Merger of Sub-Funds

The Board of Directors may decide to proceed with a merger (within the meaning of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment) 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 re-designate the shares of the Sub-Fund concerned as shares of the New UCITS, or of the New Sub-Fund as applicable.

Mergers decided by the shareholders

Notwithstanding the powers conferred to the Board of Directors under the preceding section, the General Meeting may decide to proceed with a merger (within the meaning of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment) of the SICAV or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

A) <u>Merger of the SICAV</u>

The General Meeting may decide to proceed with a merger of the SICAV, either as receiving or absorbed UCITS, with:

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

The decision shall be adopted by the General Meeting 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.

B) <u>Merger of Sub-Funds</u>

The General Meeting of a sub-fund of the SICAV may also decide a merger (within the meaning of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment) of the relevant Sub-Funds, 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.

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, in accordance with the provisions of Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment.

26. INFORMATION FOR SHAREHOLDERS

26.1 Publication of the Net Asset Value

The net asset value of each Sub-Fund, the net asset value per share of each Sub-Fund as well as, in the case of one or more classes in a Sub-Fund, the net asset value per share of each existing class, shall be made public on each Valuation Date at the registered office of the SICAV.

In addition, the Board of Directors may decide to publish the net asset value in one or more newspapers.

26.2 Financial notices

The Board of Directors may decide to publish financial notices in the countries where the SICAV is distributed.

26.3 Financial year and report to shareholders

The financial year begins on the first of April and ends on the final day of March.

In the four months after the end of the financial year, every year the SICAV publishes a detailed report on operations and the management of its assets, including the consolidated balance sheet and profit and loss account expressed in Euro, a detailed statement of the assets of each Sub-Fund, and the auditors' report.

In addition, in the two months after the end of the relevant half-year period, the SICAV publishes a semi-annual report, not subject to audit, including the portfolio breakdown, changes in the portfolio during the period, the number of outstanding shares and the number of shares issued and redeemed since the previous publication.

The annual reports audited by the Auditor and the semi-annual reports are made available at the counters of the Custodian Bank, as well as at the registered office of the SICAV.

The SICAV may decide to publish interim reports.

26.4 Auditor

PriceWaterhouseCoopers S.à r.l., Espace Ariane, 400 route d’Esch, L - 1471 Luxembourg, Grand Duchy of Luxembourg, has the mandate for auditing the accounts and the annual reports of the SICAV.

26.5 Documents available to the public

The registered office of the SICAV makes available to the public the Articles of Incorporation, the prospectus, the KIIDs, financial reports of the SICAV, as well as the agreements with the Management Company, Investment Managers, Distributors and Nominees, Representative and Paying Agent in Switzerland, and the Custodian Bank and Central Administration. It also makes available the procedures for handling complaints and exercising voting rights. Interested investors may receive, free of charge, a copy of these documents. Such documents are also available on line on the website www.basesicav.lu, pursuant to CSSF circular 11/508.

The best execution policy is made available to shareholders at the SICAV’s registered office, according to CSFF regulations 10-4 and circular 11/508.

27. INFORMATION FOR INVESTORS IN SWITZERLAND

The SICAV is authorised in Switzerland as a foreign investment fund in accordance with the Federal Law on Undertakings for Collective Investment dated 23 June 2006.

27.1 Distributors and nominees in Switzerland

The Swiss Financial Market Supervisory Authority (former Federal Banking Commission) has authorised Banca del Sempione SA, Via P. Peri 5, CH-6901 Lugano, to offer and distribute the shares of the SICAV in Switzerland or from Switzerland pursuant to the Federal Law on Undertakings for Collective Investment dated 23 June 2006.

The Management Company has appointed Banca del Sempione SA, Via P. Peri 5, CH-6901 Lugano, as Distributor and Nominee of the shares of the SICAV in Switzerland ("Distributor and Nominee in Switzerland").

The Distributor and Nominee in Switzerland shall act in compliance with applicable laws on the distribution of the shares of the SICAV in Switzerland.

The Distributor and Nominee in Switzerland acting as nominee shall be registered in the Register of Shareholders and not the clients investing in the SICAV. The terms and conditions of the Distribution agreement prescribe, among other issues, that a client that has invested in the SICAV through the intermediation of the Nominee may at any time demand the transfer to his own name of the shares subscribed through the Nominee. By this mechanism, the client will be registered under his own name in the Register of Shareholders as soon as such instructions are received from the Nominee.

Copies of this Distributor and Nominee agreement in Switzerland are made available to the public at the registered office of the SICAV and of the Distributor and Nominee in Switzerland.

27.2 Representative and Paying Agent in Switzerland

Banca del Sempione SA, Via P. Peri 5, CH-6901 Lugano, has been appointed as representative of the SICAV in Switzerland, and has also received a mandate for supplying payment services.

The SICAV's prospectus, the KIIDs, Articles of Incorporation and financial reports are made available to the public at Banca del Sempione SA, Lugano. Interested investors may receive, free of charge, a copy of these documents.

Banca del Sempione SA., Lugano is a *société anonyme* established in 1960 under the Swiss law and having its registered office in Lugano, Via P. Peri 5. The share capital, subscribed and fully paid up, amounts to CHF 20,000,000.

The SICAV's Representative in Switzerland will act in agreement with the Administrative Agent in Luxembourg.

27.3 Use of financial derivatives

Investors are informed that, through the use of financial derivatives, the Sub-Funds total commitments may amount to 200% of net assets and, taking into account the fact that the Sub-Fund may contract loans up to 10%, its overall exposure may be 210% of its net assets.

Subscribers are kindly asked to refer to Chapter 8 «Risk Management Procedure» to obtain detailed information on the risk assessment method employed.

27.4 Fees

27.4.1 Double Dip

Subscribers are advised that when the SICAV invests in units of UCITS and/or other UCI that are managed, directly or by way of a mandate, by the same management company or by any other management company to which the management company is connected through joint management or control or a direct or indirect participation of more than 10% of the voting capital, then no subscription or redemption rights nor investment management fee may be charged to the SICAV within its investment operations in other UCITS and/or UCIs.

27.4.2 Remuneration of the Management Company

Subscribers are kindly requested to refer to Chapter 9 «Management of the SICAV».

27.4.3 Remuneration of the Investment Managers and Sub-Investment Managers

Subscribers are kindly requested to refer to Chapter 10 «Investment and Risk Management», and the relevant data appearing for each Sub-Fund in Appendix I - sections «Investment Management Fee» and «Performance Fee».

27.4.4 Remuneration of the Custodian Bank and Central Administration

Subscribers are kindly requested to refer to Chapter 12 « Custodian Bank and Central Administration », paragraph «Remuneration of the Custodian Bank and the Administrative Agent».

27.4.5 Remuneration of the Distributors and Nominees

Subscribers are kindly requested to refer to Chapter 13 «Distributors and Nominees », and the relevant data appearing for each Sub-Fund in Appendix I.

Starting from their remuneration, the Distributors and Nominees may agree to give-ups to the following parties:

- institutional investors, detailed as follows, which hold fund shares for third-parties:
    - life assurance companies;
    - pension funds and other pension agencies;

  - investment foundations;
  - Swiss fund management companies;
  - foreign fund management companies and providers;
  - investment companies.

- distributors and distribution partners, such as:
  - authorised distributors;
  - fund managers, banks, securities brokers, the Swiss Post, insurance companies;
  - distribution partners that place fund shares exclusively with institutional investors whose treasury is professionally managed;
  - private asset managers.

The rates effectively applied will be published in the SICAV's annual report.

27.5 Publications

The SICAV's publications in Switzerland appear in *Feuille Officielle Suisse du Commerce*, and on the Website www.swissfunddata.ch.

Share issue and redemption prices are published jointly in Switzerland with each share issue and redemption, at least two times a month, with the note « excluding commissions ».

The net asset value of each Sub-Fund's and class's shares shall be published daily in *Corriere del Ticino* and on the Website www.swissfunddata.ch.

27.6 Place of execution and Competent Court

The place of execution and the competent court for any dispute arising as to the distribution of the SICAV's shares in Switzerland are located at the offices of Banca del Sempione SA, Lugano.

APPENDIX I – SUB-FUNDS

1. BASE INVESTMENTS SICAV – BONDS VALUE

Objective
The investment objective of this Sub-Fund is to outperform an index composed of Citigroup EUROBIG All (80%) and JPM CASH EURO 03 MONTHS (20%), with a time horizon of three years, mainly investing in fixed-income securities.

Policy
Directly and/or through investments in units or shares issued by Undertakings for Collective Investment, mostly open-end and having the same investment policy, the Sub-Fund will invest at least 51% and up to 100% of its total net assets in all types of fixed-income securities having a rating of minimum BBB- according to the Standard & Poor's rating system or an equivalent rating assigned by Moody's or Fitch – including fixed- or floating-rate bonds, convertible bonds, bonds with warrant, or any other type of fixed-income security.

The Sub-Fund will invest in fixed -income securities having a rating of minimum BBB- according to by one of the three main rating agencies (Standard & Poor's, Moody's, Fitch). If the rating agencies assign different ratings, the highest will be taken in consideration. The Sub-Fund may invest not more than 15% in non-investment grade bonds.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund.
In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The investment in convertible bonds and bonds with warrants may not exceed 25% of the Sub-Fund's total net assets.

On an ancillary basis, the Sub-Fund may hold cash.

The net value of the Sub-Fund's assets is in EUR.

Subscribers are informed that this Sub-Fund has share classes denominated in different currencies and is subject to exchange rate risk, as illustrated in Chapter 5 "Special Considerations on Risks", paragraph 5.4 «Exchange Rate Risks».

The Sub-Fund's subscribers are informed that to this Sub-Fund is applied the European Directive 2003/48/EC on the taxation of savings income.

Classes

EUR
USD (Exchange rate risk hedging is pursued in relation to the Euro)
CHF (Exchange rate risk hedging is pursued in relation to the Euro)

Distribution Policy
Distribution

Initial Subscription Period
Class EUR: From 10 to 11 July 2001
Class USD: From 25 February 2013 to 1 March 2013
Class CHF: From 25 February 2013 to 1 March 2013

Initial Subscription Price per Share
Class EUR: EUR 100
Class USD: USD 100
Class CHF: CHF 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 3% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is 1.00% calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies.

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee

The Investment Manager receives a performance fee, payable yearly, determined as of each day the Net Asset Value ("NAV") is calculated, equal to 15% of the positive difference between the NAV and the reference NAV, as defined below.

The calculation period begins on 1 January and ends on 31 December of each calendar year. Notwithstanding the foregoing, the first calculation period for any share class launched after the launch of the Sub-Fund shall begin on the date such class is launched and end on 31 December of the same year.

The performance fee is accrued as of each date the NAV is calculated. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. The performance fee may be calculated and paid considering unrealised gains.

The reference NAV used for calculating the performance fee is the Net Asset Value at the beginning of the period increased by the performance of a benchmark index of which 80% consisting of Citigroup EUROBIG All and 20% JPM CASH EURO 03 MONTHS taking into account the value of subscriptions and redemptions registered during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

An accrual shall be made if, on the one hand, the NAV before performance fee as of the Valuation Date is higher than the reference NAV and, on the other hand, the NAV per share is higher than the first NAV calculated as of the first bank business day of the calculation period.

Fee for the Distributor and Nominee

In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
All classes	0.70%	0.850%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio

The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is
2.46% of the class EUR average net assets,
1.40% of the class USD average net assets and
1.42% of the class CHF average net assets.

Portfolio Turnover Rate
The portfolio turnover rate as at 31/03/2013 is 774%.

Global Exposure
Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("FDI") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

2. BASE INVESTMENTS SICAV – BONDS USD

Objective

The investment objective of this Sub-Fund is to outperform the Salomon Smith Barney EuroDollar Index, with a time horizon of three years, mainly investing in fixed-income securities denominated in US Dollars, having a rating of minimum BBB- according to the Standard & Poor's rating system or an equivalent rating assigned by Moody's or Fitch.

Policy

Directly and/or through investments in units or shares issued by Undertakings for Collective Investment, mostly open-end and having the same investment policy, the Sub-Fund will invest in the following securities:

- At least 51% of its total net assets will be invested in all types of fixed-income securities – including fixed- or floating-rate bonds, convertible bonds, bonds with warrant, or any other type of fixed-income security – denominated in US Dollars.
- Up to 49% of its total net assets may be invested in fixed-income securities denominated in currencies other than the US Dollar.

The Sub-Fund will invest in fixed -income securities having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch). If the rating agencies assign different ratings, the highest will be taken in consideration.

The Sub-Fund may invest in securities which are non-rated by the most important rating agencies (Standard & Poor's, Moody's, Fitch), but they shall have an equivalent rating level. In case of absence of a rating by Standard & Poor's, Moody's and Fitch, a rating given by another rating agency considered suitable by the Board of Directors may be used.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund.
In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The investment in convertible bonds and bonds with warrants may not exceed 15% of the Sub-Fund's total net assets.

On an ancillary basis, the Sub-Fund may hold cash.

The net value of the Sub-Fund's assets is in USD.

The Sub-Fund's subscribers are informed that to this Sub-Fund is applied the European Directive 2003/48/EC on the taxation of savings income.

Classes

USD

Distribution Policy
Distribution

Initial Subscription Period
Class USD: From 23 to 25 July 2001

Initial Subscription Price per Share
USD 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 3% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is 1.00% calculated on the average net asset value of each Sub-Fund during the quarter to which it applies.

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee
The Investment Manager receives a performance fee, payable yearly, determined as of each day the Net Asset Value ("NAV") is calculated, equal to 15% of the positive difference between the NAV and the reference NAV, as defined below.

The calculation period begins on 1 January and ends on 31 December of each calendar year. Notwithstanding the foregoing, the first calculation period shall begin on the 1 March 2013 and end on 31 December 2013. Similarly, the first calculation period for any share class launched after the launch of the Sub-Fund shall begin on the date such class is launched and end on 31 December of the same year.

The reference NAV used for calculating the performance fee is the Net Asset Value at the start of the period increased by the performance of the index Salomon Smith Barney EuroDollar taking into account the value of subscriptions and redemptions during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

The performance fee is accrued as of each date the NAV is calculated. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. The performance fee may be calculated and paid considering unrealised gains.

An accrual shall be made if, on the one hand, the NAV before performance fee as of the Valuation Date is higher than the reference NAV and, on the other hand, the NAV per share is higher than the first NAV calculated as of the first bank business day of the calculation period.

Fee for the Distributor and Nominee

In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
All classes	0.70%	0.850%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio

The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is 1.52% of the Sub-Fund's average net assets.

Portfolio Turnover Rate

The portfolio turnover rate as at 31/03/2013 is 99%.

Global Exposure

Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments (“FDI”) and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

3. BASE INVESTMENTS SICAV – BONDS CHF

Objective

The investment objective of this Sub-Fund is to outperform an index composed of SBI FOREIGN RATING AAA TOTAL RETURN (80%) and JPMORGAN CASH INDEX CHF 3 MONTHS (20%) with a time horizon of three years, mainly investing in fixed-income securities denominated in Swiss Francs, having a rating of minimum BBB- according to the Standard & Poor's rating system or an equivalent rating assigned by Moody's or Fitch.

Policy

Directly and/or through investments in units or shares issued by Undertakings for Collective Investment, mostly open-end and having the same investment policy, the Sub-Fund will invest in the following securities:

- At least 51% of its total net assets will be invested in all types of fixed-income securities – including fixed- or floating-rate bonds, convertible bonds, bonds with warrant, or any other type of fixed-income security – denominated in Swiss Francs.
- Up to 49% of its total net assets may be invested in fixed-income securities denominated in currencies other than the Swiss Franc.

The Sub-Fund will invest in fixed -income securities having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch). If the rating agencies assign different ratings, the highest will be taken in consideration.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund.
In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The investment in convertible bonds and bonds with warrants may not exceed 15% of the Sub-Fund's total net assets.

On an ancillary basis, the Sub-Fund may hold cash.

The net value of the Sub-Fund's assets is in CHF.

The Sub-Fund's subscribers are informed that to this Sub-Fund is applied the European Directive 2003/48/EC on the taxation of savings income.

Classes

CHF

Distribution Policy

Distribution

Initial Subscription Period

Class CHF: From 23 to 24 July 2001

Initial Subscription Price per Share
CHF 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 3% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is 1.00% calculated on the average net asset value of each Sub-Fund during the quarter to which it applies.

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee
The Investment Manager receives a performance fee, payable yearly, determined as of each day the Net Asset Value ("NAV") is calculated, equal to 15% of the positive difference between the NAV and the reference NAV, as defined below.

The calculation period begins on 1 January and ends on 31 December of each calendar year. Notwithstanding the foregoing, the first calculation period shall begin on the 1 March 2013 and end on 31 December 2013. Similarly, the first calculation period for any share class launched after the launch of the Sub-Fund shall begin on the date such class is launched and end on 31 December of the same year.

The reference NAV used for calculating the performance fee is the Net Asset Value at the start of the period increased by the performance of a benchmark index consisting of 80% SBI FOREIGN RATING AAA TOTAL RETURN and of 20% JPMORGAN CASH INDEX CHF 3 MONTHS taking into account the value of subscriptions and redemptions during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

The performance fee is accrued as of each date the NAV is calculated. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. The performance fee may be calculated and paid considering unrealised gains.

An accrual shall be made if, on the one hand, the NAV before performance fee as of the Valuation Date is higher than the reference NAV and, on the other hand, the NAV per share is higher than the first NAV calculated as of the first bank business day of the calculation period.

Fee for the Distributor and Nominee

In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
All classes	0.70%	0.850%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

<u>Total Expense Ratio</u>

The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is 1.49% of the Sub-Fund's average net assets.

<u>Portfolio Turnover Rate</u>

The portfolio turnover rate as at 31/03/2013 is 85%.

<u>Global Exposure</u>

Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("**FDI**") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

4. BASE INVESTMENTS SICAV – BONDS - MULTICURRENCY

Objective
The investment objective of this Sub-Fund is to outperform the Euribor Index 3 months +1%, with a time horizon of three years.

Policy
The Sub-Fund shall maintain at all times an exposure between 51%, and 100%, of its total net assets to global debt markets.

The Sub-Fund may obtain the above mentioned exposure by investing directly in fixed- or floating-rate securities, derivative instruments, money market instruments. The remaining assets will be invested in short term deposits, in Euro and/or other currencies and in units or shares issued by Undertakings for Collective Investment, having similar debt focus.

The Sub-Fund will invest in instruments having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch). If the rating agencies assign different ratings, the highest will be taken in consideration.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund.
In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

No more than 10% of the assets of the Sub-Fund may in aggregate be invested in units of other UCITS or UCIs.

The Sub-Fund may use, for hedging, investment and/or efficient portfolio management purposes, financial derivative instruments including, but not limited to, futures, forward and spot foreign exchange contracts, currency swaps, and currency options. The Sub-Fund may use financial derivative instruments either dealt in on a regulated and/or an OTC market.

In order to minimize costs and risks the Sub-Fund may, from time to time, invest in a currency pair by buying an option with low delta and low premium. This option could be financed (at the beginning of the strategy or during its duration) by selling a lower option in terms of notional but with a higher delta. This strategy implies a high value of leverage calculated by adding all notionals included in the transaction, even if it does not have the same risk as other strategies like naked options. Furthermore use of currency forwards allows to hedge positions.

The use of financial derivative instruments by the Sub-Fund involves a certain number of risks. These risks strongly depend on the positions taken by the Sub-Fund. The loss is limited in some cases to the premium amount invested but may, in other cases, be considerable. The use of derivative instruments such as futures, options, warrants, over-the-counter contracts and swaps, involves additional risks. The ability to successfully use such instruments depends on the ability of the investments managers to accurately anticipate the evolution of equities prices, interest rates, currency exchange rates or other economic factors as well as the access to liquid markets. If the investment manager's expectations are incorrect, or if the financial derivative instruments do not work as expected, the result can lead to high losses. In some cases, the use of the instruments above mentioned can have a leverage effect. This leverage adds additional risks because losses may be important in relation to the amount invested in these instruments. These instruments are highly volatile and their market value may be subject to significant fluctuations.

The Sub-Fund may implement derivatives strategies resulting in a high leverage as calculated by adding all notionals.

The Sub-Fund's reference currency is EUR.

Subscribers are informed that this Sub-Fund has share classes denominated in different currencies and is subject to exchange rate risks, as illustrated in Chapter 5 "Special Considerations on Risks", paragraph 5.4 «Exchange Rate Risks».

The Sub-Fund's subscribers are informed that to this Sub-Fund is applied the European Directive 2003/48/EC on the taxation of savings income.

Classes

EUR
USD (Exchange rate risk hedging is pursued in relation to the Euro)
CHF (Exchange rate risk hedging is pursued in relation to the Euro)
EUR reserved to institutional investors as mentioned in Section 27.4.5 « Remuneration of the Distributors and Nominees » of this prospectus.

Distribution Policy

Capitalization

Initial Subscription Period

Class EUR: From 1 to 5 March 2010
Class USD: From 20 to 30 June 2011
Class CHF: From 1 to 5 November 2010
Class EUR reserved to institutional investors: this share class will be launched later on

Initial Subscription Price per Share

Class EUR: EUR 100
Class USD: USD 100
Class CHF: CHF 100
Class EUR reserved to institutional investors: EUR 100

Net asset value Frequency

Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 3% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:
EUR: 1.25%
USD: 1.25%
CHF: 1.25%
EUR reserved to institutional investors as mentioned in Section 27.4.5 « Remuneration of the Distributors and Nominees » of this prospectus: 1.00%

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee
The Investment Manager receives a performance fee, payable yearly determined as of each day the Net Asset Value ("NAV") is calculated, equal to 15% of the positive difference between the NAV and the reference NAV, as defined below.

The calculation period begins on 1 January and ends on 31 December of each calendar year. Notwithstanding the foregoing, the first calculation period for any share class launched after the launch of the Sub-Fund shall commence on the date such class is launched and end on 31 December of the same year.

The performance fee is accrued as of each date the NAV is calculated. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. The fee may be calculated and paid considering unrealised gains.

The reference NAV used for calculating the performance fee is the Net Asset Value at the start of the period increased by the performance of the index Euribor 3 months +1% taking into account the value of subscriptions and redemptions during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

An accrual shall be made if, on the one hand, the NAV before payment of the performance fee as of the Valuation Date is higher than the reference NAV and, on the other hand, the NAV per share is higher than the first NAV calculated as of the first bank business day of the calculation period.

Fee for the Distributor and Nominee
In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
EUR	0.95%	1.0625%
EUR institutional	N.A.	0.850%
CHF	0.95%	1.0625%
USD	0.95%	1.0625%

*These maximum rates are reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio
The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is:
1.62% of the class EUR average net assets,
1.40% of the class CHF average net assets and
1.64% of the class USD average net assets.

Portfolio Turnover Rate

The portfolio turnover rate as at 31/03/2013 is 599%.

Global Exposure
Regarding the risk management procedure, the Sub-Fund' global exposure is monitored and measured using the absolute VaR approach.

In financial mathematics and risk management, the VaR approach is a widely used method to calculate the risk of loss on financial assets of a specific investment portfolio. For a given investment portfolio, with a given probability level and time horizon, VaR is defined as the limit on which basis the potential loss of the investment portfolio's market value over the given time horizon exceeds such limit (under normal market conditions and with no transactions involving the investment portfolio) is equal to said probability level.

The VaR is calculated based on a single confidence level of 99%, as well as a 20-days holding period.

A Sub-Fund’s VaR is limited by an absolute VaR, calculated on the Sub-Fund’s Net Asset Value and without exceeding the VaR maximum limit, which is determined by the Management Company, considering said Sub-Fund’s investment policy and risk profile.

Leverage

The Sub-Fund's leverage shall be calculated on the basis of the sum of notionals approach. The expected leverage may not exceed 900% of the Sub-Fund’s net assets without the netting and without the application of any delta.

5. BASE INVESTMENTS SICAV – FLEXIBLE LOW RISK EXPOSURE

Objective

The investment objective of this Sub-Fund is to outperform an index consisting of JP Morgan Global Govt. Bond EMU LC. (60%), MTS Italy BOT ex-Bank (30%) and FTSE EUROTOP 100 Index (10%), with a time horizon of three years.

Policy

At least 51% of the portfolio's total net assets shall be exposed to global debt markets, without any specific geographical focus.

The above mentioned exposure may be obtained by investing in fixed- or floating-rate debt securities, money market instruments, derivative instruments and in units or shares issued by Undertakings for Collective Investment, mostly open-end and having similar debt focused investment policy.

The Sub-Fund may invest up to 20% of its total assets in non-investment grade bonds, shares, other equity market securities (such as share warrants and convertible bonds or bonds with warrant) and units or shares issued by Undertakings for Collective Investment investing in shares or non-investment grade bonds [2].

The Sub-Fund will invest in fixed -income securities having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch). If the rating agencies assign different ratings, the highest will be taken in consideration.
The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund.
In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The Sub-Fund may use financial techniques and instruments dealt in on a regulated or an OTC market.

Investment will be made with no geographical limitations.

On an ancillary basis, the Sub-Fund may hold cash.

The Sub-Fund's reference currency is EUR.

Subscribers are informed that this Sub-Fund has share classes denominated in different currencies and is subject to exchange rate risk, as illustrated in Chapter 5 "Special Considerations on Risks", paragraph 5.4 «Exchange Rate Risks».

The Sub-Fund's subscribers are informed that to this Sub-Fund is applied the European Directive 2003/48/EC on the taxation of savings income.

2 The net maximum exposure linked to the above mentioned instruments will be then 20% in absolute value.

Classes
EUR
USD (Exchange rate risk hedging is pursued in relation to the Euro)
CHF (Exchange rate risk hedging is pursued in relation to the Euro)

Distribution Policy

Capitalization

Initial Subscription Period
Class EUR: From 1 to 5 March 2010
Class USD: From 20 to 30 June 2011
Class CHF: From 1 to 5 November 2010

Initial Subscription Price per Share
Class EUR: EUR 100
Class USD: USD 100
Class CHF: CHF 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 3% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is 1.50% calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies.

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee

The Investment Manager receives a performance fee, payable yearly, determined as of each day the Net Asset Value ("NAV") is calculated, equal to 15% of the positive difference between the NAV and the reference NAV, as defined below.

The calculation period begins on 1 January and ends on 31 December of each calendar year. Notwithstanding the foregoing, the first calculation period for any share class launched after the launch of the Sub-Fund shall commence on the date such class is launched and end on 31 December of the same year.

The performance fee is accrued as of each date the NAV is calculated. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. The fee may be calculated and paid considering unrealised gains.

The reference NAV necessary for calculating the performance fee is the NAV at the start of the period increased by the performance of an index of which 60% consisting of JP Morgan Global Govt. Bond EMU LC., 30% MTS Italy BOT Ex-bank and 10% FTSE EUROTOP 100 Index taking into account the value of subscriptions and redemptions during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

An accrual shall be made if, on the one hand, the NAV before performance fee as of the Valuation Date is higher than the reference NAV and, on the other hand, the NAV per share is higher than the first NAV calculated as of the first bank business day of the calculation period.

Fee for the Distributor and Nominee

In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
All classes	1.050%	1.275%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio

The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is
2.69% of the class EUR average net assets,
1.89% of the class CHF average net assets and
2.58% of the class USD average net assets.

Portfolio Turnover Rate

The portfolio turnover rate as at 31/03/2013 is 512%.

Global Exposure

Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("**FDI**") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

6. BASE INVESTMENTS SICAV – EQUITIES U.S.A.

Objective

The investment objective of this Sub-Fund is to outperform the Standard & Poor's 500 Index over the long term, mainly investing in shares of companies based or conducting the majority of their business activity in the United States.

Policy

Directly and/or through investments in units or shares issued by Undertakings for Collective Investment, mostly open-end and having the same investment policy, the Sub-Fund will invest in the following securities:

- At least 51% of its total net assets will consist of shares and other equity market securities (such as share warrants and convertible bonds) issued by companies based or conducting the majority of their business activity in the United States.

- Up to 49% of its total net assets may consist of shares and other equity market securities (such as share warrants and convertible bonds) issued by companies based or conducting the majority of their business activity outside the United States.

No investments in bonds may be made except within the limit of 49% of the total net assets, regardless of the issuer's country of domicile or business.

No more than 49% of the Sub-Fund's total net assets may be invested in convertible bonds.

The Sub-Fund may use financial derivatives instruments dealt in on a regulated or an OTC market provided that the underlying consists of investments included within the scope of the Sub-Fund's investment policy.

On an ancillary basis, the Sub-Fund may hold cash.

The net value of the Sub-Fund's assets is in USD.

As it is not intention of the Board of Directors to distribute dividends, the Sub-Fund's subscribers are informed that to this Sub-Fund is not applied the European Directive 2003/48/EC on taxation of savings income.

Classes

USD

Distribution Policy

Capitalization

Initial Subscription Period

Class USD: From 23 to 27 July 2001

Initial Subscription Price per Share

Class USD: USD 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Sub-Investment Managers
Neuberger Berman L.L.C., a company specialising in the asset management of private and institutional clients, with registered office at 605 Third Avenue, New York 10158, United States of America, has been appointed by the Investment Manager as sub-investment manager, for the daily management of part of the assets of the Sub-Fund Base Investments Sub-Fund – Equities U.S.A. This agreement may be terminated with a prior notice of 90 days.
Neuberger Berman L.L.C. will manage the assets of the Sub-Fund Base Investments Sub-Fund – Equities U.S.A. also through its Chicago regional office.

Sempione SIM S.p.A. has been appointed by the Investment Manager as sub-investment manager, for the daily management of part of the assets of the Sub-Fund Base Investments Sub-Fund – Equities U.S.A.[1]
The agreement may be terminated at any time by either party through a 90 days prior notice to be sent by registered letter.

Subscription Fee
Maximum 5% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is 2.10% calculated on the average net asset value of each Sub-Fund during the quarter to which it applies.

[1] The appointment of Sempione SIM S.p.A will become effective as of January the 2^{nd}, 2015.

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Sub-Investment Management Fee

Neuberger Berman L.L.C.
The Sub-Investment Manager is entitled to receive from the Investment Manager a sub-investment management fee payable on a quarterly basis, up to 1 % calculated on the average net asset value the Sub-Fund. Such fee is calculated on the average net asset value of the portion of Sub-Fund managed by the Sub-Investment Manager during the relevant quarter.

When executing transactions in US securities via brokers, a brokerage fee of up to 0.04 USD per traded share may be paid for this service by the Sub-Fund to Neuberger Berman L.L.C. or to the relevant brokers. For non-U.S. securities, the SICAV may pay a higher brokerage fee, up to 0.50% of the transaction amounts.

Sempione SIM S.p.A.
The Sub-Investment Manager is entitled to receive from the Investment Manager a sub-investment management fee payable on a quarterly basis, up to 1% calculated on the average net asset value the Sub-Fund. Such fee is calculated on the average net asset value of the portion of Sub-Fund managed by the Sub-Investment Manager during the relevant quarter.

Performance Fee
None

Fee for the Distributor and Nominee
In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
All classes	1.10%	1.10%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio
The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is 2.64% of the Sub-Fund's average net assets.

Portfolio Turnover Rate
The portfolio turnover rate as at 31/03/2013 is 86%.

Global Exposure
Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("**FDI**") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

7. BASE INVESTMENTS SICAV – EQUITIES SWITZERLAND

Objective
The investment objective of this Sub-Fund is to outperform the Swiss Leader Index over the long term, mainly investing in shares of companies based or conducting the majority of their business activity in Switzerland.

Policy
Directly and/or through investments in units or shares issued by Undertakings for Collective Investment, mostly open-end and having the same investment policy, the Sub-Fund will invest in the following securities:

- At least 51% of its total net assets will consist of shares and other equity market securities (such as share warrants and convertible bonds) issued by companies based or conducting the majority of their business activity in Switzerland.

- Up to 49% of its total net assets may consist of shares and other equity market securities (such as share warrants and convertible bonds) issued by companies based or conducting the majority of their business outside Switzerland.

No investments in bonds may be made except within the limit of 49% of the total net assets, regardless of the issuer's country of domicile or business.

No more than 49% of the Sub-Fund's total net assets may be invested in convertible bonds.

The Sub-Fund may use financial derivative instruments dealt in on a regulated or an OTC market provided that the underlying consists of investments included within the scope of the Sub-Fund's investment policy.

On an ancillary basis, the Sub-Fund may hold cash.

The net value of the Sub-Fund's assets is in CHF.

As it is not intention of the Board of Directors to distribute dividends, the Sub-Fund's subscribers are informed that to this Sub-Fund is not applied the European Directive 2003/48/EC on taxation of savings income.

Classes
CHF

Distribution Policy
Capitalization

Initial Subscription Period
Class CHF: From 23 July to 3 August 2001

Initial Subscription Price per Share
Class CHF: CHF 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 5% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is 2.10% calculated on the average net asset value of each Sub-Fund during the quarter to which it applies.

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee
None

Fee for the Distributor and Nominee
In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *

All classes	1.47%	1.785%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio
The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is 3.22% of the Sub-Fund's average net assets.

Portfolio Turnover Rate
The portfolio turnover rate as at 31/03/2013 is 70%.

Global Exposure
Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("FDI") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

8. BASE INVESTMENTS SICAV – EQUITIES EUROPE

Objective
The investment objective of this Sub-Fund is to outperform the EUROSTOXX 50 Index, over the long term, mainly investing in shares of companies based or conducting the majority of their business activity in Continental Europe and in the United Kingdom (including all EU and Scandinavian countries and Switzerland).

Policy
Directly and/or through investments in units or shares issued by Undertakings for Collective Investment, mostly open-end and having the same investment policy, the Sub-Fund will invest in the following securities:

- At least 51% of its total net assets will consist of shares and other equity market securities (such as share warrants and convertible bonds) issued by companies based or conducting the majority of their business activity in Continental Europe and in the United Kingdom.

- Up to 49% of its total net assets may consist of shares and other equity market securities (such as share warrants and convertible bonds) issued by companies based or conducting the majority of their business outside Continental Europe and the United Kingdom.

No investments in bonds may be made except within the limit of 49% of the total net assets, regardless of the issuer's country of domicile or business.

No more than 49% of the Sub-Fund's total net assets may be invested in convertible bonds.

The Sub-Fund may use financial derivative instruments dealt in on a regulated or an OTC market provided that the underlying consists of investments included within the scope of the Sub-Fund's investment policy.

On an ancillary basis, the Sub-Fund may hold cash.

The net value of the Sub-Fund's assets is in EUR.

As it is not intention of the Board of Directors to distribute dividends, the Sub-Fund's subscribers are informed that to this Sub-Fund is not applied the European Directive 2003/48/EC on the taxation of savings income.

Classes
EUR

Distribution Policy
Capitalization

Initial Subscription Period
Class EUR: From 10 to 15 December 2003

Initial Subscription Price per Share
Class EUR: EUR 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Investment Advisor
Banca del Sempione (Overseas) Ltd., George House, George Street, Nassau, The Bahamas, has been appointed, under an investment advisory agreement, to assist the Investment Manager in relation to the management of the assets of the Sub-Fund. The agreement may be terminated at any time by either party through a 90 days prior notice to be sent by registered letter. The Investment Manager is not bound to follow the instructions provided by the Investment Advisor.

The Investment Advisor was incorporated on 15 October 1999, in the form of a Bahamas-law limited company, with capital and reserves amounting to CHF 5,000,000 (five million Swiss Francs) and its main activity consists of asset management.

Subscription Fee
Maximum 5% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is 2.10% calculated on the average net asset value of each Sub-Fund during the quarter to which it applies.

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee
None

Investment Advisory Fee

The Investment Advisor is entitled to receive from the Investment Manager an investment advisory fee payable on a quarterly basis, of up to 1 % calculated on the average net asset value of the Sub-Fund during the relevant quarter.

Fee for the Distributor and Nominee

In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
All classes	1.10%	1.10%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio
The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is 2.93% of the Sub-Fund's average net assets.

Portfolio Turnover Rate
The portfolio turnover rate as at 31/03/2013 is 104%.

Global Exposure
Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("**FDI**") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

9. BASE INVESTMENTS SICAV – I.D.E.A.[2] (hereafter the Sub-Fund « I.D.E.A. »)

Objective

The investment objective of this Sub-Fund is to outperform the 30% increase in the DJ STOXX 600 Index, over the long term (3 to 5 years), mainly investing in shares.

Achieving such performance remains an objective and investors should not consider it a guarantee.

The Sub-Fund aims to develop the alpha coefficient of its individual shares, distinguishing it, where possible, from performance dependent on general market performance and featuring low volatility.

In this context, according to modern financial theory, the alpha coefficient is defined as the risk-adjusted return on a security, i.e. a security's performance in relation to its expected performance based on beta.

The beta coefficient measures a security's volatility with respect to a benchmark index over a specific period of time.

In short, the alpha coefficient is a measure of the portion of a security's performance not explained by its beta. If a security's return during a certain period is higher than its beta, then it has positive alpha. Conversely, if such return is less than its beta, then the security has negative alpha. Positive alpha indicates that the security can generate positive return regardless of general market performance, while negative alpha indicates that it tends to suffer losses regardless of the market trend.

Basically, there are two types of risks on an equity portfolio's securities:

- systemic or systematic risk, common to the market overall, refers to risk common to all financial assets traded on the market, attributable to factors that investors cannot directly control (macroeconomic, political, natural, social, etc.);

- specific or idiosyncratic risk, due to specific factors inherent in the individual securities (or the company) at a given time, and associated with several features of particular financial assets. By its very nature, specific risk can be reduced through diversification, and hence risks due to price fluctuations on particular securities can be offset by contrary movements in prices of other financial instruments.

These two types of risk tend to overlap, with an addition and/or offsetting, determining the security's overall risk.

The Sub-Fund aims to separate them. To do that, the investment manager may hedge up to 100% of any position through futures contracts dealt in on regulated markets or options strategies. In this way, systemic risk can be reduced and specific

[2] I.D.E.A.: Ideal Development of Equity Alpha

risk managed to achieve a performance that only partially tracks stock market indices and features low volatility.

Policy

Directly and/or through investments in units or shares issued by Undertakings for Collective Investment, mostly open-end and having the same investment policy, the Sub-Fund will invest in the following securities:

- At least 51% of its total net assets will consist of shares and other equity market securities (such as share warrants);
- Up to 49% of its total net assets may consist of bonds, convertible bonds and currency market instruments.

The Sub-Fund will invest in listed company shares, both European and non-European, selected based on fundamental analysis. It may flexibly invest in companies featuring various levels of capitalisation, in value stocks and in growth stocks, in companies doing business in any industry, regardless of their country of domicile or their currency of listing. The quantity of securities included in the Sub-Fund's portfolio will depend on the investment manager's assessment of market conditions, and it may be relatively low, though in compliance with minimum diversification requirements pursuant to Chapter 6 « Investment Restrictions ».

The Sub-Fund may use financial derivative instruments dealt in on a regulated or OTC market.
To reduce market risk, each position may be hedged up to 100% through futures contracts dealt in on regulated markets or, depending on market conditions, options strategies.

The Sub-Fund will invest in fixed -income securities having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch). If the rating agencies assign different ratings, the highest will be taken in consideration.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund.

In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

In exceptional circumstances, and in subscribers' best interest, the Sub-Fund may temporarily invest up to 100% of its assets in cash or money market instruments.

The net value of the Sub-Fund's assets is in EUR.

Subscribers are informed that this Sub-Fund has share classes denominated in different currencies and is subject to exchange rate risk, as illustrated in Chapter 5 "Special Considerations on Risks", paragraph 5.4 «Exchange Rate Risks».

As it is not intention of the Board of Directors to distribute dividends, the Sub-Fund's subscribers are informed that to this Sub-Fund is not applied the European Directive 2003/48/EC on the taxation of savings income.

Classes
EUR
CHF (Exchange rate risk hedging is pursued in relation to the Euro)
EUR reserved to institutional investors as mentioned in Section 27.4.5 « Remuneration of the Distributors and Nominees » of this prospectus

Distribution Policy
Capitalization

Initial Subscription Period
Class EUR: From 15 to 24 February 2012
Class CHF: From 15 to 24 February 2012
Class EUR reserved to institutional investors: this share class will be launched later on

Initial Subscription Price per Share
Class EUR: EUR 100
Class CHF: CHF 100
Class EUR reserved to institutional investors: EUR 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 5% of the net asset value

Fees claimed by local intermediaries

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:
EUR: 1.50%
CHF: 1.50%
EUR reserved to institutional investors as mentioned in Section 27.4.5 « Remuneration of the Distributors and Nominees » of this prospectus: 0.75%

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee

The Investment Manager receives a performance fee, payable at the end of each quarter, determined as of each day the Net Asset Value ("NAV") is calculated, equal to 15% of the positive difference between (i) the percentage increase in NAV and (ii) a 30% increase in the DJ Stoxx 600 Price Index in € for the quarterly calendar calculation period.

The calculation period is each calendar quarter. Notwithstanding the foregoing, the first calculation period for any share class launched after the launch of the Sub-Fund shall commence on the date such class is launched and end on the last day of the current calendar quarter.

This performance fee is accrued as of each date the NAV is calculated. The calculation takes into account the value of subscriptions and redemptions during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

An accrual shall be made if, on the one hand, the percentage increase in NAV is higher than the 30% performance of the DJ STOXX 600 Price Index in € over the calculation period, and, on the other hand, the NAV per share is higher than the High Water Mark.

If the percentage change in NAV is negative, there is no performance fee.

For the first calendar year after the Sub-Fund is launched, the High Water Mark is defined as the higher of the two following values:

- the last NAV per share at the base of the performance fee payment during the previous calculation period;
- the initial subscription price per share.

The High Water Mark is recalculated for consecutive calendar years at the start of each calendar year: i.e. the High Water Mark will correspond to the first NAV calculated as of the first bank business day of the year.
After the first quarter, the High Water Mark will be defined as the higher of the two following values:

- the last NAV per share at the base of the performance fee payment during the previous calculation period.
- the first NAV calculated as of the first bank business day of the year.

Fee for the Distributor and Nominee
In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
EUR	1.050%	1.275%
Institutional EUR	N.A.	0.6375%
CHF	1.050%	1.275%

*These maximum rates are reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio
The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is
1.80% of the class EUR average net assets and
1.78% of the class CHF average net assets.

Portfolio Turnover Rate
The portfolio turnover rate as at 31/03/2013 is 403%.

Global Exposure
Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("FDI") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

10. BASE INVESTMENTS SICAV – SHORT TERM

Objective
The investment objective of this Sub-Fund is to outperform the JPM CASH EUR 03 MONTHS Index mainly investing in fixed- or floating-rate securities, such that the duration of the portfolio does not exceed twelve months.

Policy
Directly and/or through investments in units or shares issued by Undertakings for Collective Investment, mostly open-end and having the same investment policy, the Sub-Fund will invest in the following securities:

- At least 51% of its total net assets will be invested in any fixed- or floating-rate security whose rate, in accordance with the issuance terms of each one, is subject to at least one change per year, depending on market conditions.

The duration of the portfolio will not exceed twelve months.

The remaining time to maturity of each investment included in the portfolio will not exceed five years.

The Sub-Fund may also hold money market instruments, within the limits illustrated in Chapter 6 «Investment Restrictions».

On an ancillary basis, the Sub-Fund may hold cash.

Since the reference currency is Euro, the Investment Manager will attempt to hedge the Sub-Fund's assets denominated in currencies other than Euro. However, the Investment Manager does not intend to hedge all the Sub-Fund’s assets.

The Sub-Fund’s reference currency is EUR.

Subscribers are informed that this Sub-Fund has share classes denominated in different currencies and is subject to exchange rate risk, as illustrated in Chapter 5 “Special Considerations on Risks”, paragraph 5.4 «Exchange Rate Risks».

The Sub-Fund’s subscribers are informed that to this Sub-Fund is applied the European Directive 2003/48/EC on the taxation of savings income.

Classes
EUR
USD (Exchange rate risk hedging is pursued in relation to the Euro)
CHF (Exchange rate risk hedging is pursued in relation to the Euro)

Distribution Policy
Distribution

Initial Subscription Period
Class EUR: From 16 to 18 October 2002
Class USD: 27 June 2011

Class CHF: 27 June 2011

Initial Subscription Price per Share
Class EUR: EUR 100
Class USD: USD 104.55
Class CHF: CHF 103

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 1.50% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is 0.50% calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies.

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee
None

Fee for the Distributor and Nominee

In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
All classes	0.30%	0.4250%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio
The total expense ratio as at 31/03/2013, including all expenses incurred by the Sub-Fund, except transaction costs, is
0.81% of the class EUR average net assets,
0.81% of the class CHF average net assets and
0.82% of the class USD average net assets.

Portfolio Turnover Rate
The portfolio turnover rate as at 31/03/2013 is 174%.

Global Exposure
Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("**FDI**") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

11. BASE INVESTMENTS SICAV – EURO HEDGING

Objective

The investment objective of this Sub-Fund is to invest in currencies other than the reference currency of the Sub-Fund, outperforming a benchmark composed by:

perf. Eur/ usd + money market usd	15%
perf. Eur/ gbp + money market gbp	10%
perf. Eur/ chf + money market chf	10%
perf. Eur/ nok + money market nok	5%
perf. Eur/ sek + money market sek	5%
perf. Eur/ aud+ money market aud	5%
perf. Eur/ cad + money market cad	5%
perf. Eur/ nzd + money market nzd	3%
perf. Eur/ cny + money market cny	5%
perf. Eur/ jpy + money market jpy	5%
perf. Eur/ krw + money market krw	3%
perf. Eur/ try+ money market try	5%
perf. Eur/ rub + money market rub	5%
perf. Eur/ zar + money market zar	5%
perf. Eur/ pln + money market pln	5%
perf. Eur/ czk + money market czk	3%
perf. Eur/ inr + money market inr	3%
perf. Eur/ brl + money market brl	3%

The benchmark selected as reference to measure the performance of the Sub-Fund is composed by several currencies ideally covering all the areas outside Euro. The Investment Manager's attitude will not be to passively follow the percentages and currencies represented by the benchmark but to try to outperform it through an opportunistic but meanwhile cautious attitude.

The Sub-Fund is therefore suitable for investors aiming to diversify their own portfolio denominated in Euro from a currency perspective.

Because of its nature, the Sub-Fund will perform into phases of weakness of the reference currency and will suffer when the reference currency gains value against the generality of other currencies.

The Investment Manager may, in the latter stages, make appropriate protections to the portfolio in order to limit the negative effects within the limits provided by the investment policy and by the Law.

Policy

The Sub-Fund will have an exposure of at least 85% in currencies different from the reference currency of the Sub-Fund (Euro) via bonds, forward and spot foreign exchange contracts, currency swaps, and currency options. The exposition to currencies different from Euro will be attained through the aforementioned instruments.

Currency diversification may be made on major currencies as well as on emerging markets' currencies. Emerging markets will be carefully selected taking into consideration the interest rates (carry) and the portfolio total exposure in accordance with the benchmark.

At least 30% of its total net assets will be exposed to global debt markets.
The Sub-Fund may obtain the above mentioned exposure by investing directly in fixed- or floating-rate securities, derivative instruments, money market instruments, and in units or shares issued by Undertakings for Collective Investment. The remaining assets will be invested in short term deposits, in Euro and/or other currencies.
The Sub-Fund aims at minimizing in this way the credit and interest rate risks with the aim of creating an additional value to the portfolio.

The Sub-Fund may also invest in units or shares issued by Undertakings for Collective Investment, mostly open-end.

The Sub-Fund will invest in fixed -income securities having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch). If the rating agencies assign different ratings, the highest will be taken in consideration.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund.
In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments including, but not limited to, futures, forward and spot foreign exchange contracts, currency swaps, and currency options. The Sub-Fund may use financial derivative instruments either dealt in on a regulated or an OTC market.

The Sub-Fund's reference currency is EUR.

Subscribers are informed that this Sub-Fund is subject to exchange rate risks, as illustrated in Chapter 5 "Special Considerations on Risks", paragraph 5.4 «Exchange Rate Risks».

The Sub-Fund's subscribers are informed that to this Sub-Fund is applied the European Directive 2003/48/EC on the taxation of savings income.

Classes
EUR
EUR reserved to institutional investors as mentioned in Section 27.4.5 « Remuneration of the Distributors and Nominees » of this prospectus

Distribution Policy
Capitalization

Initial Subscription Period
Class EUR: From 20 to 29 November 2013
Class EUR reserved to institutional investors: this share class will be launched later on

Initial Subscription Price per Share
Class EUR: EUR 100,-
Class EUR Institutional: EUR 100

Net asset value Frequency
Daily on each bank business day in Luxembourg.

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee
Maximum 3% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:
EUR: 1.25%
EUR reserved to institutional investors: 1.00%

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee

The Investment Manager receives a performance fee, payable yearly determined as of each day the Net Asset Value ("NAV") is calculated, equal to 15% of the positive difference between the NAV and the reference NAV, as defined below.

The calculation period begins on 1 January and ends on 31 December of each calendar year. Notwithstanding the foregoing, the first calculation period shall commence on the date the Sub-Fund is launched and end on 31 December of the same year.

The performance fee is accrued as of each date the NAV is calculated. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. The fee may be calculated and paid considering unrealised gains.

The reference NAV used for calculating the performance fee is the Net Asset Value at the start of the period increased by the performance of the index as here above described taking into account the value of subscriptions and redemptions during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

An accrual shall be made if, on the one hand, the NAV before payment of the performance fee as of the Valuation Date is higher than the reference NAV and, on the other hand, the NAV per share is higher than the first NAV calculated as of the first bank business day of the calculation period.

Fee for the Distributor and Nominee
In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
EUR	0.875%	1.0625%
Institutional EUR	N.A.	0.850%

*These maximum rates are reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio
N/A

Portfolio Turnover Rate

N/A

Global Exposure
Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("FDI") and other effective

portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

12. BASE INVESTMENTS SICAV – LEPTON

Objective
The investment objective of this Sub-Fund is to achieve an absolute return mainly investing in other funds as specified in the Policy with a time horizon for the investor of 24 months.

Policy
The Sub-Fund will mainly invest (at least 51%) in units of UCITS and/or other UCIs provided they conform to the conditions set forth in Section 6. Investment Restrictions. The Sub-Fund invests no more than 20% of its net assets in the same UCITS or in the same other UCI.

The selection of the investment will be based on a steady analysis of the target funds with close attention to the development of the funds industry.
The target funds will have liquid investment strategies so that redemption frequencies must be coherent with the Sub-Fund’s one.

No particular restrictions will be posed on geographical areas and/or business sectors.

Investors are thus subject to the risk of duplication of fees and commissions.

The maximum level of the on-going charges that may be charged by the UCITS and/or other UCIs in which the Sub-fund intends to invest shall not exceed 3.00% per annum of the net assets of the relevant UCITS or UCIs.

The Sub-Fund may invest in other Sub-Funds of the SICAV.

The remaining assets may be invested, to the full extent and within the limits permitted by the Law, in all eligible assets as defined in Section 6. Investment Restrictions.

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

The Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments including, but not limited to, futures, forward and spot foreign exchange contracts, currency swaps, and currency options. The Sub-Fund may use financial derivative instruments either dealt in on a regulated or an OTC market.

The Sub-Fund’s reference currency is EUR.

As it is not intention of the Board of Directors to distribute dividends, the Sub-Fund’s subscribers are informed that to this Sub-Fund is not applied the European Directive 2003/48/EC on the taxation of savings income.

Classes
EUR
USD (Exchange rate risk hedging is pursued in relation to the Euro)
CHF*

*Share-classes to be launched at a future date

Distribution Policy

Capitalization

Initial Subscription Period

Class EUR: 31 January 2014
Class USD: 12 January 2015 to 14 January 2015

Initial Subscription Price per Share

Class EUR: EUR 100,-
Class USD: USD 100,-
Class CHF: N/A (share-classes to be launched at a future date)

Net asset value Frequency

Daily on each bank business day in Luxembourg.

Investment Manager

Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Subscription Fee

Maximum 5% of the net asset value

Fees claimed by local intermediaries

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Investment Management Fee

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:
EUR: 1.25%
USD: 1.25%

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Performance Fee

The Investment Manager receives a performance fee, payable yearly, determined as of each day the Net Asset Value (“NAV”) is calculated, equal to 15% of the positive difference between the NAV and the reference NAV, as defined below.

The calculation period begins on 1 January and ends on 31 December of each calendar year. Notwithstanding the foregoing, the first calculation period shall commence on the date the Sub-Fund is launched and end on 31 December of the same year.

The performance fee is accrued as of each date the NAV is calculated. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. The performance fee may be calculated and paid considering unrealised gains.

The reference NAV used for calculating the performance fee is the Net Asset Value at the beginning of the period increased by the performance of a benchmark index consisting of EURIBOR 03 MONTHS taking into account the value of subscriptions and redemptions registered during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

An accrual shall be made if, on the one hand, the NAV before performance fee as of the Valuation Date is higher than the reference NAV and, on the other hand, the NAV per share is higher than the first NAV calculated as of the first bank business day of the calculation period.

Fee for the Distributor and Nominee

In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
All classes	0.875%	1.0625%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio

N/A

Portfolio Turnover Rate

N/A

Global Exposure

Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("**FDI**") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

13. BASE INVESTMENTS SICAV – EMERGING AND FRONTIER MARKETS EQUITY

Objective
The Sub-Fund's investment objective is long-term growth of capital obtained investing in shares of companies based or conducting the majority of their business activity in emerging markets.

Policy
The Sub-Fund aims to achieve long-term capital appreciation by investing at least 51% of its net assets in equity securities of emerging and frontier equity markets companies or those companies which derive a proportion of their revenues or profits from emerging and frontier economies through a value investing stock selection across the entire market capitalisation spectrum.

Equity securities include common stock, preferred stock and securities convertible into common stock, warrants and rights, and other securities with equity characteristics (which include any instrument tied to a specific security or basket of securities, such as equity-linked derivatives and notes, certain options on common stock).

The Sub-Fund will seek to add value through stock selection based on a quantitative screening combined with a qualitative "bottom up" fundamental analysis with the goal of owning the highest quality growth companies that will best capture the strong expected growth in the emerging and frontier markets.

The Sub-Fund may invest a large percentage of its assets in a few sectors, including consumer staples, consumer discretionary, financials and industrials. As markets in other countries develop, the Sub-Fund expects to expand and further diversify the emerging and frontier markets in which it invests.

The Sub-Fund may also invest in financial derivative instruments such as futures, options, swaps, forwards, warrants, CFDs, ADRs, GDRs, forward currency contracts and in other currency and equity derivatives.

The Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments. In particular financial derivative instruments will be used for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Manager believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives.

The Sub-Fund may invest in participatory notes that may be used to gain exposure to securities and or markets which may not be efficiently accessed through direct investment. Exposure to participatory notes will not exceed 30% of the net assets.

The Sub-Fund may also invest up to 20% of its net assets in REITs and ETFs.

In addition, in exceptional market circumstances for defensive purposes such as circumstances when the Investment Manager is of the view that frontier or emerging markets may experience a sustained downturn, the Sub-Fund may hold all or part of its assets in cash, money markets instruments, certificate of deposits and cash equivalents assets.

No more than 10% of the assets of the Sub-Fund may in aggregate be invested in units of other UCITS or UCIs.

The Sub-Fund may invest directly or indirectly in China H-Shares.

The Sub-Fund may also realise investments in Brazil.

The term “frontier and/or emerging markets” refers to those emerging market countries outside the “mainstream” emerging markets, whose capital markets have traditionally been difficult for foreign investors to enter or are in early stages of capital market and/or economic development.

These countries usually belong to these areas: Middle East, Asia, Sub-Saharan Africa and Latin America (for example but not limited to: Hong Kong, Singapore, Thailand Indonesia, Mexico, South Africa, Chile, Peru, Morocco, Kazakhstan).

The Board reserves the right to extend the list by investing in additional countries. In relation to any of the above listed countries, the Board will verify the eligibility of the market pursuant to Article 41.(1) A) to d) of the 2010 Law.

Subscribers are informed that this Sub-Fund has a share class denominated in a different currency and is subject to exchange rate risk, as illustrated in Chapter 5 “Special Considerations on Risks”, paragraph 5.4 “Exchange Rate Risks”.

Subscribers are informed that this Sub-Fund is subject to specific risks, as illustrated in Chapter 5 “Special Considerations on Risks”, paragraphs 5.5 “Emerging and Frontier Markets Risks”, 5.6 “Investment in China” and 5.7 “Investments in Brazil”.

As it is not intention of the Board of Directors to distribute dividends, the Sub-Fund’s subscribers are informed that to this Sub-Fund is not applied the European Directive 2003/48/EC on the taxation of savings income.

Classes
EUR - A
EUR - B: minimum initial investment 150.000€ per each investor, including ultimate investors.
USD (Exchange rate risk hedging is pursued in relation to the Euro)
CHF (Exchange rate risk hedging is pursued in relation to the Euro)

Distribution Policy

Capitalization

Initial Subscription Period
EUR- A: From 1 December 2014 to 3 December 2014
EUR - B: From 1 December 2014 to 3 December 2014

USD: From 1 December 2014 to 3 December 2014
CHF: From 1 December 2014 to 3 December 2014

Initial Subscription Price per Share
EUR - A: EUR 100
EUR - B: EUR 100
USD: USD 100
CHF : CHF 100

Investment Manager
Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

The Management Company, with the consent of the Board, appoints the Investment Manager to perform the risk management function for the Sub-Fund, in accordance with the Law and CSSF Regulations and Circulars, as they may be amended from time to time.

Sub-Investment Manager
Sempione SIM S.p.A. has been appointed by the Investment Manager as sub-investment manager, for the daily management of part of the assets of the Sub-Fund. The agreement may be terminated at any time by either party through a 90 days prior notice to be sent by registered letter.

Subscription Fee
Maximum 5% of the net asset value

Fees claimed by local intermediaries
Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

Net asset value Frequency
Weekly on Thursday, or if such day is not a bank business day in Luxembourg, the next following bank business day in Luxembourg.

Investment Management Fee
On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:
EUR - A: 2.00%
EUR - B: 1.00%
USD: 2.00%

CHF: 2.00%

In addition, for the risk management activity, the Sub-Fund agrees to pay to the Investment Manager 0.05% per year calculated on the net asset value of the Sub-Fund determined on each net asset value valuation day. The fee will be paid quarterly.

Sub-Investment Management Fee
The Sub-Investment Manager is entitled to receive from the Investment Manager a sub-investment management fee payable on a quarterly basis, calculated on the average net asset value the Sub-Fund. Such fee is calculated on the average net asset value of the portion of Sub-Fund managed by the Sub-Investment Manager during the relevant quarter. In particular for:
EUR - A : up to 1.00%
EUR - B: up to 0.50%
USD: up to 1.00%
CHF: up to 1.00%

Performance Fee
The Investment Manager receives a performance fee, payable yearly, determined as of each day the Net Asset Value ("NAV") is calculated, equal to 15% of the positive difference between the NAV and the reference NAV, as defined below.

The calculation period begins on 1 January and ends on 31 December of each calendar year. Notwithstanding the foregoing, the first calculation period shall commence on the date the Sub-Fund is launched and end on 31 December of the same year.

The performance fee is accrued as of each date the NAV is calculated. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. The performance fee may be calculated and paid considering unrealised gains.

The reference NAV used for calculating the performance fee is the Net Asset Value at the beginning of the period increased by the performance of a benchmark index which is composed as follows: 40% consisting of MSCI Emerging (Bloomberg Ticker: MXEF), 40% of MSCI Frontier (Bloomberg Ticker: MXFM) and 20% cash taking into account the value of subscriptions and redemptions registered during the calculation period. If a shareholder redeems the shares before the end of such period, the right to the performance fee, accumulated but not paid on these shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

An accrual shall be made if, on the one hand, the NAV before performance fee as of the Valuation Date is higher than the reference NAV and, on the other hand, the NAV per share is higher than the first NAV calculated as of the first bank business day of the calculation period.

The Investment Manager may pay a part of the performance fee to the Sub-Investment Manager as described in the Agreement from time to time in force.

Fee for the Distributor and Nominee

In addition to any subscription fees that it may receive, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
EUR - A	1.40%	1.70%
EUR - B	0.70%	0.85%
USD	1.40%	1.70%
CHF	1.40%	1.70%

*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

Total Expense Ratio
N/A

Portfolio Turnover Rate
N/A

Global Exposure
Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments ("**FDI**") and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

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