

**VISA 2017/107834-2985-0-PC**

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

Luxembourg, le 2017-05-29

Commission de Surveillance du Secteur Financier



**PROTEA FUND**

**Société d'investissement à capital variable incorporated in Luxembourg**

**PROSPECTUS**

**May 2017**

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

## **NOTE TO THE READERS**

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

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

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

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

For further information, please refer to the table of contents on page 2 of this Prospectus.

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MANAGEMENT AND ADMINISTRATION

Registered office of the Fund	15, avenue J.F. Kennedy L-1855 Luxembourg
Board of Directors Chairman	Mr Frédéric Fasel FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg
Directors	Mr Mike Kara Pictet & Cie (Europe) S.A. 15A, avenue J.F. Kennedy L-1855 Luxembourg  Mr Rémy Obermann Pictet & Cie 60 Route des Acacias CH-1211 Geneva 73 Switzerland
Management Company	FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy, L-1855 Luxembourg
Board of directors of the Management Company	Mrs Michèle Berger Senior Vice President FundPartner Solutions (Europe)S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg  Mr. Geoffroy Linard de Guertechin Independent director 2, rue Jean-Pierre Beicht L-1226 Luxembourg Grand Duchy of Luxembourg  Mr. Christian Schroder, Secrétaire Général Groupe et Responsable Organisation Pictet & Cie 60 Route des Acacias CH-1211 Genève 73  Me Claude Kremer Partner Arendt & Medernach 41A, avenue J.F. Kennedy

	L-1855 Luxembourg
Day-to-day managers of the Management Company	Mrs Michèle Berger Senior Vice President, FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
	Mr Pascal Chauvaux Senior Vice President FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
	Mr Cédric Haenni Senior Vice President Banque Pictet & Cie S.A. 60 Route des Acacias CH-1211 Genève 73 Switzerland
	Mr Dorian Jacob Vice President FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg
Depository	Pictet & Cie (Europe) S.A. 15A, avenue J.F. Kennedy L-1855 Luxembourg
Administrative Agent	Fund Partner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg
Auditor	Deloitte Audit, <i>Société à responsabilité limitée</i> 560, route de Neudorf L-2220 Luxembourg
Legal advisor	Allen & Overy, <i>société en commandite simple</i> 33, avenue J.F. Kennedy L-1855 Luxembourg

## SUMMARY

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

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

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

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

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

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

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

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

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

**Generally:** the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform

themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

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

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

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

### **Data Protection**

Pursuant to the Luxembourg law dated 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data (as amended from time to time) any personal data that is furnished in connection with an investment in the Fund may be held on computer and processed by the Management Company, Investment Manager, and/or their delegates and affiliates, as well as the Depositary, Administrative Agent, distributors or their delegates as data processor or data controller, as appropriate. Personal data may be processed for the purposes of carrying out the services of the aforementioned entities and to comply with legal obligations including legal obligations under applicable company law and anti-money laundering legislation. Personal data may be used in connection with investments in other investment fund(s) managed, administered, advised or initiated by the Fund. Personal data shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as auditors and the regulators or agents of the aforementioned entities who process the personal data for carrying out their services and complying with legal obligations including legal obligations under applicable company law and anti-money laundering legislation. Certain of the aforementioned entities and third parties may be situated in countries outside of the European Union which may not have data protection requirements deemed equivalent to those prevailing in the European Union.

When subscribing Shares in the Fund investors consent to the aforementioned processing of their personal data and in particular the disclosure of their personal data as described in the preceding paragraph including the transfer of their personal data to parties situated in countries outside of the European Union which may not have the same personal data protection laws as in Luxembourg.

Reasonable measures have been taken to ensure confidentiality of the personal data transferred abroad. However, due to the fact that the personal data is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the personal data is kept abroad.



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The Fund will accept no liability with respect to any unauthorised third party receiving knowledge of and/or having access to such personal data, except in case of wilful negligence or gross misconduct of the Fund.

Investors may request access to, rectification of or deletion of any personal data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection legislation. Personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

## DEFINITIONS

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

“2010 Law”	Means the law dated 17 December 2010 on undertakings for collective investment, as may be amended from time to time;
“Administrative Agent”	Means FundPartner Solutions(Europe) acting as central administrative agent of the Fund;
“Articles”	Means the articles of incorporation of the Fund as the same may be amended, supplemented or otherwise modified from time to time;
“Appendix”	Means each supplement to this Prospectus describing the specific features of a Compartment. Each such supplement is to be regarded as an integral part of the Prospectus;
“Auditor”	Means Deloitte Audit, <i>Société à responsabilité limitée</i> ;
“Board of Directors”	Means the board of directors of the Fund;
“Business Day”	Means a day on which banks are open for business (during the whole day) in Luxembourg;
“Business Year”	Means a 12 months period ending on 31 December;
“CHF”	Means Swiss franc, the currency of the Swiss Confederation;
“Circular 04/146”	Means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;
“Compartment”	Means a separate portfolio of assets established for one or more categories of Shares which is invested in accordance with a specific investment objective. The specifications of each Compartment will be described in their relevant Appendices;
“Contingent Convertible Bonds”	Refers to subordinated contingent capital securities, instruments issued by banking/insurance institutions to increase their capital buffers in the framework of new banking/insurance regulations. Under the terms of a contingent convertible bond, certain triggering events (such as a decrease of the issuer’s capital ratio below a certain threshold or a decision of the issuer’s regulatory authority) could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity;
“CSSF”	Means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority;
“Depositary”	Means Pictet & Cie (Europe) S.A. acting as depositary of the Fund;
“Depositary	Means the agreement between the Fund and Pictet & Cie (Europe) S.A. acting

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Agreement"	as depositary, as amended, supplemented or otherwise modified from time to time;
"Directive 78/660/EEC"	Means Council Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) g) of the Treaty on the annual accounts of certain types of companies, as amended from time to time;
"Directive 83/349/EEC"	Means Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended from time to time;
"Directive 2007/16/EC"	Means Commission Directive 2007/16/EC of 19 March 2007 implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
"Directive 2009/65/EC"	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
"Directors"	Means the directors of the Fund, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
"Eligible Investments"	Means eligible investments for investment by UCITS within the meaning of Article 41 (1) of the 2010 Act;
"ESMA Guidelines 2014/937"	ESMA Guidelines 2014/937 of 1 August 2014 on ETFs and other UCITS issues;
"EU"	Means the European Union;
"EU Member State"	Means a member State of the EU;
"EU Savings Directive"	Means the Council Directive 2003/49/EC of 3 June 2003 on the taxation of savings income in the form of interest payments;
"EUR"	Means Euro, the single currency of the EU Member States that have adopted the Euro as their lawful currency;
"GBP"	Means Great Britain Pound, the currency of the United Kingdom;
"General Meeting"	Means a general meeting of the Shareholders;
"Grand-Ducal Regulation"	Means the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions;

“Group of Companies”	Means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules;
“Initial Subscription Date” or “Initial Subscription Period”	Means, with respect to each Compartment, the first offering of Shares in a Compartment made pursuant to the terms of the Prospectus and the Appendix of the relevant Compartment;
“Initial Subscription Price”	Means the price at which Shares are issued in respect of subscriptions received during the Initial Subscription Period, as determined for each Compartment and category of Shares in the Appendix of the relevant Compartment;
“Institutional Investor”	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Law;
“Investing Compartment”	Has the meaning as set out in Section 22.31 of the main body of the Prospectus;
“Investment Adviser”	Means such entity from time to time appointed as investment adviser of a particular Compartment as disclosed in the relevant Appendix;
“Investment Advisory Agreement”	Means the investment advisory agreement entered into with a particular Investment Adviser of a Compartment as further set out in the Appendix of the relevant Compartment;
“Investment Company Act”	Means the U.S. Investment Company Act of 1940, as amended;
“Investment Management Agreement”	Means the investment management agreement entered into with a particular Investment Manager of a Compartment as further set out in the Appendix of the relevant Compartment;
“Investment Manager”	Means such entity from time to time appointed as investment manager of a particular Compartment as disclosed in the relevant Appendix;
“KIID”	Means key investor information document in respect of each Compartment or category of Shares (as appropriate);
“Luxembourg”	Means the Grand Duchy of Luxembourg;
“Luxembourg Official Gazette”	Means the <i>Mémorial C, Recueil des Sociétés et Associations</i> or the <i>Recueil Electronique des Sociétés et Associations</i> (“RESA”);
“Management Company”	Means FundPartner Solutions (Europe) S.A.;
“Management Company Services”	Means the agreement between the Fund and the Management Company as amended, supplemented or otherwise modified from time to time;

Agreement”

“Market Timing”	Means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;
“Money Market Instruments”	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
“Net Asset Value” or “NAV”	Means, (i) in relation to the Fund, the value of the net assets of the Fund, (ii) in relation to each Compartment, the value of the net assets attributable to such Compartment, and (iii) in relation to each category of Shares in a Compartment, the value of the net assets attributable to such category of Shares, in each case, calculated in accordance with the provisions of the Articles and the Prospectus;
“Net Asset Value per Share” or “NAV per Share”	Means the Net Asset Value of the relevant Compartment divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Compartment has more than one category of Shares in issue, the portion of the Net Asset Value of the relevant Compartment attributable to a particular category of Shares divided by the number of Shares of such category of Shares in the relevant Compartment which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);
“NOK”	Means Norwegian Krone, the currency of Norway;
“OECD”	Means the Organisation for Economic Co-operation and Development;
“OECD Member State”	Means any of the member States of the OECD;
“OTC”	Means over-the-counter;
“OTC Derivative”	Means any financial derivative instrument dealt in over-the-counter;
“Other Regulated Market”	Means a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed in current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public;

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“Other State”	Means any state of Europe which is not a EU Member State and any state of America, Africa, Asia, Australia and Oceania and, as appropriate, of the OECD;
“Prospectus”	Means the sales prospectus relating to the issue of Shares in the Fund, as amended from time to time;
“Reference Currency”	Means, in relation to each Compartment, the currency in which the Net Asset Value of such Compartment is calculated, as stipulated in the Appendix of the relevant Compartment;
“Regulated Market”	Means a regulated market as defined by the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments (the “Directive 2004/39/CE”), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operations of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/CE;
“REITS”	Means real estate investment trusts;
“Section”	Means a section of this Prospectus;
“Securities Act”	Means the U.S. Securities Act of 1933, as amended;
“Shareholder”	Means a person who is the registered holder of Shares in the Fund;
“Shares”	Means shares in the Fund, of such category of Shares and denominated in such currencies and relating to such Compartments as may be issued by the Fund from time to time;
“Target Compartment”	Has the meaning as set out in Section 22.31 of the main body of the Prospectus;
“Transferable Securities”	Means <ul style="list-style-type: none"><li>• shares and other securities equivalent to shares;</li><li>• bonds and other debt instruments;</li><li>• any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments, within the meaning of the 2010 Law;</li></ul>
“UCI”	Means an undertaking for collective investment within the meaning of article 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in a EU Member State or not, provided that:

- such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
- the level of guaranteed protection for Shareholders in such UCI is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
- the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

"UCITS"	Means an undertaking for collective investment in transferable securities under the UCITS Directive;
"UCITS-CDR"	Means the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EC with regard to obligations of depositaries;
"UCITS Directive"	Means Directive 2009/65/EC;
"United States" or "U.S."	Means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
"USD"	Means the United States Dollar, the currency of the United States of America;
"U.S. Person"	Means, unless otherwise determined by the Directors, (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who qualify as U.S. Persons or otherwise as qualified eligible persons represent in the aggregate ten per cent or more of the beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; or (vi) any other "U.S. Person" as such term may be defined in Regulation S under the Securities Act, or in regulations adopted under the U.S. Commodity Exchange Act, as amended;
"Valuation Day"	Means each Business Day as at which the Net Asset Value will be determined

for each category of Shares in each Compartment, unless otherwise stipulated in the Appendix of the relevant Compartment.



## MAIN PART OF THE PROSPECTUS

### 1. LEGAL STATUS

- 1.1 PROTEA FUND is an investment company with variable capital ("*société d'investissement à capital variable*" - SICAV) governed by Luxembourg law, established in accordance with the provisions of Part I of the 2010 Law.
- 1.2 The Fund was incorporated in accordance with the provisions of Part I of the law of 30 March 1988 relating to undertakings for collective investment for an indefinite period on 10 January 2001, with an initial capital of EUR35,000 under the name PROTEA FUND and its Articles were published in the Luxembourg Official Gazette on 22 February 2001. They were last amended by notarial act dated 21 July 2010.
- 1.3 The Fund is registered with the Luxembourg trade and companies register under number B 80092.
- 1.4 The Fund's capital shall at all times be equal to the value of its total net assets; it may never fall below the minimum capital as required by law. This minimum capital shall be reached within a period of six months following registration of the Fund in the official list of UCIs by the CSSF.

### 2. INVESTMENT OBJECTIVES AND FUND STRUCTURE

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

### 3. ORGANISATION OF MANAGEMENT AND ADMINISTRATION

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

#### **Management Company**

##### *Corporate information*

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

##### *Duties*

- 3.5 The Management Company will provide, subject to the overall control of the Board of Directors, and without limitation: (i) asset management services; (ii) central administration, registrar and transfer agency services; and (iii) distribution services to the Fund. The rights and duties of the Management Company are further set out in articles 101 et seq. of the 2010 Law.
- 3.6 The Management Company must at all time act honestly and fairly in conducting its activities in the best interests of the Shareholders, and in conformity with the 2010 Law, this Prospectus and the Articles.
- 3.7 The Management Company is vested with the day-to-day management and administration of the Fund. In fulfilling its duties pursuant to the 2010 Law, and the Management Company Services Agreement, the Management Company is authorised, for the purposes of the efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Fund, and subject to the approval of the CSSF, part, or all of its functions and duties to any third party, which, having regard to the nature of the functions, and duties to be delegated, must be qualified and capable of undertaking the duties in question.
- 3.8 The Management Company will require any such agent to which the Management Company intends to delegate its duties to comply with the provisions of the Prospectus, the Articles, and the relevant provisions of the Management Company Services Agreement, as well as the 2010 Law.
- 3.9 In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms, and procedures, including risk management controls, and regular reporting processes in order to ensure the effective supervision of the third parties to whom functions, and duties have been delegated, and that the services provided by such third party

service providers are in compliance with the Articles, this Prospectus and the agreements entered into with the relevant third party service providers, as well as the 2010 Law. When delegating a duty or a function, the Management Company shall ensure that nothing in the related agreement shall prevent it from giving at any time further instructions to the party to whom such duty or function has been delegated or from withdrawing the relevant mandate with immediate effect when this is in the interests of the Shareholders.

- 3.10 The Management Company shall be careful, and diligent in the selection, and monitoring of the third parties to whom functions and duties may be delegated, and ensure that the relevant third parties have sufficient experience, and knowledge, as well as the necessary authorisation required to carry out the functions delegated to such third parties.
- 3.11 The following functions have been delegated by the Management Company to third parties:
  - (a) investment management of the Compartments; and
  - (b) marketing and distribution,as further set out in this Prospectus
- 3.12 The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (the "Remuneration Policy").
- 3.13 The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Fund or the Compartments.
- 3.14 The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the Shareholders and includes measures to avoid conflicts of interest.
- 3.15 In particular, the Remuneration Policy will ensure that:
  - (a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
  - (b) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
  - (c) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total

remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;

- (d) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- (e) if at any point of time, the management of the Fund were to account for 50 % or more of the total portfolio managed by the Management Company, at least 50 %, of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and
- (f) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Fund.

3.16 Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of the staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [www.group.pictet/fps](http://www.group.pictet/fps).

3.17 A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.

3.18 The Management Company Services Agreement has been entered into for an undetermined period of time, and may be terminated, in particular, by either party upon serving to the other a written notice at least 3 (three) months prior to the termination.

### **Depository**

3.19 Under the terms of the depositary agreement signed on 28 April 2016 (the “Depositary Agreement”), Pictet & Cie (Europe) S.A. has been appointed for an indefinite period as depositary of the Fund (the “Depositary”). The Depositary Agreement may be terminated by either signatory party by 90 days' notice.

3.20 The Depositary was incorporated as a société anonyme (public limited liability company) under Luxembourg law on 3rd November 1989 for an indefinite period. Its fully paid-up capital, as at the date of this Prospectus, amounts to CHF70,000,000.

3.21 The Depositary will assume its functions and responsibilities in accordance with applicable Luxembourg law and regulations and the Depositary Agreement. With respect to its duties under the 2010 Law, the Depositary will ensure the safekeeping of the Fund's assets. The Depositary has also to ensure that the Fund's cash flows are properly monitored in accordance with the 2010 Law.

3.22 In addition, the Depositary will:

- (a) ensure that the sale, issue, repurchase, redemption and cancellation of the Shares are carried out in accordance with Luxembourg law and the Articles;
- (b) ensure that the value of the Shares is calculated in accordance with Luxembourg law and the Articles;
- (c) carry out the instructions of the Fund and the Management Company, unless they conflict with Luxembourg law or the Articles;
- (d) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- (e) ensure that the Fund's incomes are applied in accordance with Luxembourg law and the Articles.

- 3.23 The Depositary may delegate its safekeeping duties with respect to the Fund's financial instruments held in custody or any other assets (except for the cash) in accordance with the UCITS Directive, the UCITS-CDR and applicable law.
- 3.24 An up-to-date list of the delegates (and sub-delegates) of the Depositary is available on the website [http://www.pictet.com/corporate/fr/home/asset\\_services/custody\\_services.html](http://www.pictet.com/corporate/fr/home/asset_services/custody_services.html).
- 3.25 The Depositary will be liable to the Fund or to the Shareholders for the loss of the Fund's financial instruments held in custody by the Depositary or its delegates to which it has delegated its custody functions. A loss of a financial instrument held in custody by the Depositary or its delegate will be deemed to have taken place when the conditions of article 18 of the UCITS-CDR are met. The liability of the Depositary for losses other than the loss of the Fund's financial instruments held in custody will be incurred pursuant to the provisions of the Depositary Agreement.
- 3.26 In case of loss of the Fund's financial instruments held in custody by the Depositary or any of its delegates, the Depositary will return financial instruments of identical type or the corresponding amount to the Fund without undue delay. However, the Depositary's liability will not be triggered if the Depositary can prove that the conditions of article 19 of the UCITS-CDR are fulfilled.
- 3.27 In carrying out its functions, the Depositary will act honestly, fairly, professionally, independently and solely in the interest of the Fund and the Shareholders.
- 3.28 Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Fund, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund and/or other funds for which the Depositary (or any of its affiliates) acts.
- 3.29 Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Fund and will treat the Fund and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Fund than if the conflict or potential conflict had not existed.

Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's custodian functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.

- 3.30 Details of the conflict of interest policy of the Depositary are available on the website [www.pictet.com](http://www.pictet.com). A paper copy of the summarised conflict of interest policy of the Depositary is available free of charge to the Shareholders upon request.
- 3.31 Under no circumstances will the Depositary be liable to the Fund, the Management Company or any other person for indirect or consequential damages and the Depositary will not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.
- 3.32 The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document other than the above description. The Depositary will not have any investment decision-making role in relation to the Fund. Decisions in respect of the purchase and sale of assets for the Fund, the selection of investment professionals and the negotiation of commission rates are made by the Fund and/or the Management Company and/or their delegates. Shareholders may ask to review the Depositary Agreement at the registered office of the Fund should they wish to obtain additional information as regards the precise contractual obligations and limitations of liability of the Depositary.
- 3.33 The Depositary or the Fund may, at any time, by giving at least 90 days' written notice to the other party, terminate the Depositary's appointment, it being understood that any decision by the Fund to end the Depositary's appointment is subject to the condition that another depositary bank take on the functions and responsibilities of the Depositary within two months as defined in the Articles, provided, furthermore, that if the Fund terminates the Depositary's appointment, the Depositary shall continue to assume the functions of depositary until such time as the Depositary has been dispossessed of all the Fund's assets that it held or had arranged to be held on behalf of the Fund. Should the Depositary revoke the appointment, the Fund shall be required to appoint a new depositary to take on the functions and responsibilities of the Depositary as defined in the Articles within two months, it being understood that, from the date when the notice of termination expires until such time as a new depositary is appointed by the Fund, the Depositary will only be obligated to undertake all necessary measures to ensure that the Shareholders' interests are safeguarded.

#### **Administrative Agent**

- 3.34 The Administrative Agent, whose task are fulfilled by the Management Company, is responsible for the provision of accounting services (in particular, carrying out the calculation of the NAV of the Fund and the drafting of the financial statements), processing subscriptions for, redemptions and conversions (if any) of, Shares, calculating issue and redemption proceeds and maintaining the records of the Fund as well as other general administrative services to the Fund, as further detailed in the relevant agreement, and Paying Agent of the Fund responsible for, the payment of dividends and redemption proceeds (if any).

- 3.35 The Administrative Agent is entitled to a fee calculated on the net assets of the Fund and payable on a quarterly basis, as further detailed under Section 14 “Fund Expenses” of the main part of the Prospectus. The fees paid to the Administrative Agent will be shown in the Fund’s financial statements.

#### **Investment Managers and Investment Advisors**

- 3.36 The Board of Directors is vested with the widest powers to act in any circumstances in the name of the Fund, subject to any powers explicitly granted by law or by the Articles to its General Meeting. The Board of Directors has delegated this duty to the Management Company.
- 3.37 The Board of Director is responsible for the determination of the investment policy pursued by each of its Compartments. The Management Company is responsible for the general management of the Fund.
- 3.38 The Management Company may appoint, at the request and with the consent of the Fund, one or more several investment managers in respect of certain Compartments, as described in the Appendix of the relevant Compartment (the “Investment Managers”).
- 3.39 Each Investment Manager will be in charge of the day-to-day management of (all or portion of) the assets of the Compartments for which it has been appointed as investment manager and will deal in the relevant investments on account of the relevant Compartments on a discretionary, subject to and in accordance with instructions received from the Management Company from time to time, and in accordance with each Compartment’s investment objective, policy and restrictions.
- 3.40 With the consent of the Fund and the Management Company or, as the case by be, the CSSF, each Investment Manager may delegate its investment management function to third parties in respect of one or more Compartments for which it has been appointed as investment manager, in which case such delegation will be described in the relevant Appendix.
- 3.41 Each Investment Manager may, on its own responsibility, appoint one or more investment advisors for each Compartment for which it has been appointed as investment manager (the “Investment Advisor”). Their mission will be to advise it on investment opportunities and obtain assistance for the Compartments whose assets it manages.
- 3.42 The Investment Managers may be assisted by investment advisers (the “Investment Advisers”) as set out in more details in each relevant Appendix. The Investment Advisers will provide the Investment Managers with recommendations, advice and opinions regarding investment choice and selection of securities and any other assets that make up the portfolio of the various Compartments.

#### **Auditors**

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

#### **4. RIGHTS OF THE SHAREHOLDERS**

##### **Shares**

- 4.1 The Shares in each Compartment are issued in registered and dematerialised form, with no par value and fully paid-up. A holder of dematerialised Shares will have its Shares deposited on a securities account in the name of its beneficiary. Fractions of Shares may be issued up to five decimals. Fractional Shares do not confer the right to vote, however do confer the right to participate, in pro rata, to any proceeds upon liquidation and dividend distributions.
- 4.2 No certificates will be issued. All owners of the Shares will have their names entered into the Shareholders' register which will be held at the Fund's registered office. Shares repurchased by the Fund shall be cancelled.
- 4.3 All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Compartment (or the category of Shares respectively) to which they pertain.
- 4.4 Each Share has one vote. Shareholders are also entitled to the general Shareholder rights as described in the Luxembourg law dated 10th August 1915 on commercial companies and its subsequent amendments, with the exception of pre-emption rights to subscribe to new Shares.
- 4.5 Shareholders will only receive confirmation that their names have been recorded in the Shareholders' register.
- 4.6 The Fund draws the attention of the investors to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Fund if the investor is registered himself/herself/itself on in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund.

##### **Compartments**

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

##### **Categories of Shares**

- 4.9 The Board of Directors may also decide to create for each Compartment two or more categories of Shares whose assets are generally invested in accordance with the specific investment policy of the relevant Compartment, but where categories of Shares may be distinguished by specific commission and/or redemption structures, by specific exchange-risk hedging policies, by



specific distribution policies and/or by specific management or advisory commission or by other specific characteristics applying to each category of Shares. Such information is, if necessary, defined in the Appendix to the Prospectus.

- 4.10 The Appendix to this Prospectus lists the current categories of Shares.

#### **General Meetings**

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

#### **5. SUBSCRIPTIONS**

- 5.1 The list of Compartments already in operation is included in Appendix 1 to this Prospectus.
- 5.2 Appendix 1 will be updated to take into account the activation or the decision to activate any added Compartment or any added category of Shares.
- 5.3 Subscriptions for Shares in each Compartment already in operation shall be accepted at the issue price, as defined hereunder in Section 7 "Issue price", at the office of the Depositary as well as at any other establishments authorised to do so by the Fund.
- 5.4 At the discretion of the Board of Directors, Shares may be issued against contributions of Transferable Securities or other eligible assets to the Compartments provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in this Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Compartment, as described above, will be valued separately in a special report of the Auditor. These contributions in kind of assets are not

subject to brokerage costs. The Board of Directors will only have recourse to this possibility (i) at the request of the relevant investor and (ii) if the transfer does not negatively affect current Shareholders. All costs related to a contribution in kind will be paid for by the Compartment concerned provided that they are lower than the brokerage costs which the Compartment would have paid if the assets concerned had been acquired on the market. If the costs relating to the contribution in kind are higher than the brokerage costs which the Compartment concerned would have paid if the assets concerned had been acquired on the market, the exceeding portion thereof will be supported by the subscriber.

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

## **6. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS**

- 6.1 Measures aimed towards the prevention of money laundering as provided by Luxembourg laws and the circulars as issued by the CSSF are the responsibility of the Fund, that delegates to the Administrative Agent such controls.
- 6.2 These measures may require the Administrative Agent to request verification of the identity of any prospective investor. By way of example, an individual may be required to produce a copy of his/her passport or identification card duly certified by a competent authority (e.g. embassy, consulate, notary, police officer, solicitor, financial institution domiciled in a country imposing equivalent identification requirements or any other competent authority. In the case of corporate applicants, this may require, amongst others, production of a certified copy of the certificate of incorporation (and any change of name) and investor's memorandum and articles of association (or equivalent), a recent list of its shareholders showing a recent stake in its capital, printed on the letterhead of the investor duly dated and signed, an authorised signature list and an excerpt of the trade register. It should be noted that the above list is not exhaustive

and that the investors may be required to provide further information to the Administrative Agent in order to ensure the identification of the final beneficial owner of the Shares.

- 6.3 Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Administrative Agent, it reserves the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the Administrative Agent will not be liable for any interest, costs or compensation.
- 6.4 In case of a delay or failure to provide satisfactory proof of identity, the Administrative Agent may take such action as it thinks fit.
- 6.5 These identification requirements may be waived by the Administrative Agent in the following circumstances:
- (a) in the case of a subscription through a financial intermediary which is supervised by a regulatory authority which imposes an investors' or transferees' identification obligation equivalent to that required under Luxembourg laws for the prevention of money laundering and to which the financial intermediary is subject;
  - (b) in the case of a subscription through a financial intermediary whose parent is supervised by a regulatory authority which imposes an investors' or transferees' identification obligation equivalent to that required under Luxembourg laws for the prevention of money laundering and where the law applicable to the parent or the group policy imposes an equivalent on its subsidiaries or branches.

## **7. ISSUE PRICE**

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

## 8. REDEMPTIONS

### General

- 8.0 Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as further set out in Sections 8.6 to 8.10 headed “Redemption price” below, by addressing an irrevocable application for redemption to the Fund, or other authorised establishments.
- 8.1 For any request for redemption received by the Fund or by a distributor by 4 p.m. at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on that Valuation Day shall be applicable.
- 8.2 Unless specifically mentioned under Appendix 1, for any request for redemption received by the Fund or by a distributor after the deadline of 4 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.
- 8.3 If, because of applications for redemption or conversion, it is necessary on a given Valuation Day to repurchase or convert a certain amount as determined by the Board of Directors in relation to the number of the Shares issued in a particular Compartment, the Board of Directors may decide that redemptions or conversions have to be postponed to the Valuation Day. On that Valuation Day, applications for redemption or conversion which had been postponed (and not withdrawn) shall be given priority over applications for redemption or conversion received for that particular Valuation Day (and which had not been postponed).
- 8.4 The Fund is entitled to repurchase, at any time, Shares which have been acquired in violation of a measure of exclusion taken by virtue of the Fund.
- 8.5 The price for the Shares presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within three Business Days following the date when the net asset value applicable to the redemption was calculated (see Sections 8.6 to 8.10 on “Redemption price” below) or any day as set out in the Appendix 1.

### Redemption price

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

- 8.10 The redemption price could be higher or lower than the subscription price paid, depending on how the net asset value has changed in the intervening period.

## **9. CONVERSION**

- 9.1 Subject to any potential restriction which may be set out in the Appendix to the Prospectus, any Shareholder may request the conversion of all or part of his/her/its Shares (or categories of Shares, respectively) in one Compartment into Shares of another Compartment, on the basis of the respective Net Asset Values as calculated on the Valuation Day of the Compartments (or category of Shares) concerned plus a conversion commission of maximum 1% of the Net Asset Value of each Share to be paid to intermediaries.
- 9.2 For any conversion requests received by the Fund or by a distributor by 4 p.m. at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on the said Valuation Day will be applicable.
- 9.3 For any conversion requests received by the Fund or a distributor after the deadline of 4 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the next following Valuation Day thereafter.
- 9.4 Under certain circumstances, the Board of Directors has the power to charge a dilution levy on the conversion price as described hereafter under the Section 10 "Dilution Levy". In any case, the effective dilution levy charged on any Valuation Day shall be identical for all redemptions effected on such day.

## **10. DILUTION LEVY**

- 10.1 Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders' interest in the Fund. In order to prevent this effect, called "dilution", the Board of Directors has the power to charge a dilution levy on the issue, redemption and/or conversion of Shares. If charged, the dilution levy will be paid into the relevant Compartment and will become part of the relevant Compartment.
- 10.2 The dilution levy for each Compartment will be calculated by reference to the costs of dealing in the underlying investments of that Compartment, including any dealing spreads, commission and transfer taxes.
- 10.3 The need to charge a dilution levy will depend on the volume of issues, redemptions or conversions. The Board of Directors may charge a discretionary dilution levy on the issue, redemption and/or conversion of Shares, if in its opinion, the existing Shareholders (for issues) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:
- (a) where a Compartment is in constant decline (large volume of redemption requests);
  - (b) on a Compartment experiencing substantial issues in relation to its size;
  - (c) in the case of "large volumes" of redemptions, subscriptions and /or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 10% of the Compartment's entire assets;

- (d) in all other cases where the Board of Directors considers the interests of Shareholders require the imposition of a dilution levy.

10.4 In any case the dilution levy shall not exceed 2% of the net asset value per Share.

## 11. CALCULATION OF THE NET ASSET VALUE

- 11.1 The Net Asset Value as well as issue, redemption and conversion prices for Shares are calculated by the Administrative Agent for each Compartment in the Reference Currency used for the Compartment on the basis of the last known prices, at intervals which may vary for each Compartment and are specified in Appendix 1 (the "Valuation Day").
- 11.2 If the Valuation Day is not a Business Day, the Net Asset Value for that Compartment will be calculated on the next Business Day.
- 11.3 The Net Asset Value of a Share in each Compartment will be calculated by dividing the net assets of that Compartment by the total number of Shares outstanding of that Compartment. The Net Asset Value of a Compartment corresponds to the difference between the total assets and the total liabilities of the Compartment.
- 11.4 If different categories of Shares are issued for a Compartment, the Net Asset Value of each category of Shares in the Compartment concerned will be calculated by dividing the total Net Asset Value as calculated for the Compartment concerned and attributable to that category of Shares, by the total number of Shares issued for that category of Shares.
- 11.5 The percentage of the total Net Asset Value of the Compartment concerned attributable to each category of Shares, which was initially identical to the percentage of the number of Shares represented by that category of Shares, will change in respect of the distributions carried out in connection with dividend Shares as follows:
  - (a) Upon payment of a dividend or any other distribution in respect of dividend Shares, the total net assets attributable to that category of Shares will be reduced by the amount of such distribution (the effect being to reduce the percentage of total net assets of the Compartment concerned attributable to dividend Shares), and the total net assets attributable to capitalisation Shares will remain identical (resulting in an increase in the percentage of the total net assets of the Compartment attributable to capitalisation Shares);
  - (b) Upon the capital increase of the Compartment concerned by the issue of new Shares in one of the -category of Shares, the total net assets attributable to the category of Shares concerned will be increased by the amount received for such issue;
  - (c) Upon the redemption by the Compartment concerned of the Shares in a particular category of Shares, the total net assets attributable to the corresponding category of Shares will be reduced by the price paid for the redemption of such Shares;
  - (d) Upon the conversion of the Shares in one category of Shares into Shares in another category of Shares, the total net assets attributable to that category of Shares will be reduced by the net asset value of the Shares thus converted, the total net assets attributable to the category of Shares concerned being increased by that amount.

- 11.6 The Reference Currency of the Fund is the EUR and corresponds to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Compartment will, unless they are already expressed in EUR, be converted into EUR, and added together.
- 11.7 The assets of the Fund shall be valued as follows:
- (a) Transferable Securities and Money Market Instruments admitted to official listing on an official stock exchange or traded on any Other Regulated Market will be valued at the last available price, unless such a price is not deemed to be representative of their fair market value.
  - (b) Securities not listed on an official stock exchange or not traded on any Regulated Market and securities with an official listing for which the last available price is not representative of a fair market value will be valued, prudently and in good faith, on the basis of their estimated sale prices.
  - (c) Cash and other liquid assets will be valued at their face value with interest accrued;
  - (d) The units/shares of open-ended UCIs will be valued on the basis of the last known net asset value. The units/shares of closed-ended UCIs will be valued on the basis of the last known market value.
  - (e) Money Market Instruments not listed on stock exchanges or not traded on any Regulated Market and with remaining maturity of less than 12 months are valued at their nominal value, increased by any interest accrued thereon, if any; the total value being amortised in accordance with the amortised cost method.
  - (f) The prices of futures and options admitted to official listing on an official stock exchange or traded on any other organised market are based on the previous day's closing price on the market in question. The prices used are the settlement prices on the futures markets. Futures and options contracts not admitted to official listing on an official stock exchange or traded on any other organised market will be valued at their liquidating value determined pursuant to the policies established in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts.
  - (g) Swaps shall be priced at their fair value based on the value of the underlying assets (closing or intraday) as well as the characteristics of the underlying commitments.
  - (h) For each Compartment, securities whose value is expressed in a currency other than the reference currency of that Compartment will be converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial centre which is most representative for those securities.
- 11.8 The Board of Directors is entitled to adopt any other appropriate principles for valuing the Fund's assets in the event that extraordinary circumstances make it impracticable or inappropriate to determine the values according to the criteria specified above.
- 11.9 In cases when applications for subscription or redemption are sizeable, the Board of Directors may assess the value of the Share on the basis of rates during the trading session on the stock

exchanges or markets during which it was able to buy or sell the necessary securities for the Fund. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

## **12. SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICES**

12.1 The calculation of the Net Asset Value or the issue, redemption and conversion prices of Shares in one or more Compartments may be suspended in the following circumstances:

- (a) When one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the Fund's assets, or when one or more foreign exchange markets in the currency in which the net asset value of Shares is expressed or in which a substantial portion of the Fund's assets is held, are closed other than for ordinary holidays or if dealings therein are suspended, restricted or subject to major short-term fluctuations.
- (b) When, as a result of political, economic, military, monetary or social events, strikes or other circumstances outside the responsibility and control of the Fund, the disposal of the Fund's assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests.
- (c) In the case of a breakdown in the normal means of communication used to calculate the value of an asset in the Fund or when, for whatever reason, the value of an asset in the Fund cannot be calculated as rapidly and as accurately as required.
- (d) If, as a result of exchange controls or other restrictions on the movement of capital, transactions for the Fund are rendered impracticable or if purchases or sales of the Fund's assets cannot be made at normal rates of exchange.
- (e) In the case of suspension, of the calculation of the net asset value of one or several of the target UCIs in which the Fund has invested a substantial portion of its assets.
- (f) On the occurrence of any event entailing the liquidation of the Fund or one of its Compartments.

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

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

## **13. INCOME DISTRIBUTION**

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

13.2 Each distribution policy will be defined in the Appendices.



- 13.3 For those Compartments that do not comprise categories of Shares, the income will be capitalised on the understanding however that the Board of Directors reserves the right to introduce an income distribution policy. In such cases, dividends may be payable following a decision of the Board of Directors within 6 months after the close of the Business Year.
- 13.4 In addition to the above dividends, the Fund may choose to pay interim dividends.
- 13.5 No distribution may be effected if as a result thereof the net assets of the Fund were to fall below EUR1,250,000 (being provided that Shares of a Target Compartment held by an Investing Compartment will not be taken into account for the purpose of the calculation of the EUR1,250,000 minimum capital requirement).
- 13.6 Dividends and allotments not collected within five years of their due date will lapse and revert to the Compartment.

#### **14. FUND EXPENSES**

##### **Advisory fee and Management fee**

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

##### **Performance fee**

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

##### **Other expenses**

- 14.4 Other costs charged to the Fund include:
- (a) All taxes and duties which might be due on the Fund's assets or income earned by the Fund, in particular the subscription tax (0.05% per annum) charged on the Fund's net assets.
  - (b) Brokerage fees and charges on transactions involving securities in portfolio.
  - (c) Remuneration of the Depositary, its correspondents, the Administrative Agent and the Management Company which shall not, in aggregate, exceed a maximum of 1.6% p.a. (exclusive of any applicable VAT) on the total average net assets of the Fund and which shall be paid on a quarterly basis.
  - (d) Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.

- (e) The cost of preparing, printing and filing of administrative documents, prospectuses and explanatory memoranda with all authorities, the rights payable for the registration and maintenance of the Fund with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents required by law or regulations, the cost of accounting and calculating the net asset value, the cost of preparing, distributing and publishing notifications to Shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.
- (f) All advertising expenses and other expenditure other than that specified above related directly to the offering and distribution of Shares in foreign countries.

- 14.5 The fees associated with the creation of a new Compartment will be, in principle, exclusively borne by this new Compartment. Nevertheless the Board of Directors may decide, in circumstances where it would appear to be more fair to the Compartments concerned, that the initial setting up costs of the Fund, not yet amortised at the time of the new Compartment is launched, will be equally borne by all existing Compartments including the new Compartment. The Board of Directors may also decide that the costs associated with the opening of new Compartments be borne by the existing Compartments.
- 14.6 All recurring expenditure shall be charged first to the Fund's income, then to realised capital gains, then to the Fund's assets. Other expenditure may be amortised over a period not exceeding five years.
- 14.7 Charges involved in the calculation of the Net Asset Values of the various Compartments shall be spread between the Compartments in proportion to their net assets, except in cases where charges specifically involve one Compartment, in which case they will be charged to that Compartment.
- 14.8 Please refer to the Sections 5, 8, 9 and 10 relating to "Subscriptions", "Redemptions", "Conversions" and "Dilution levy" for further details as to the specific fees and expenses borne by Shareholders.

## 15. RISK CONSIDERATIONS

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

### Equity Securities

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

economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

### **High-yield securities**

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

### **Investment in UCIs**

- 15.3 Investment in UCIs may embed a duplication of the fees and expenses which will be charged to the Fund, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, depositary bank fees and other service providers' fees. The accumulation of these costs may cause higher costs and expenses that would have been charged to the Fund if the latter had invested directly. The Fund will however seek to avoid any irrational multiplication of costs and expenses to be borne by Shareholders.
- 15.4 Also, the Fund must ensure that its portfolios of target UCIs present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to satisfy redemption requests favourably at the exact time they are submitted. Any absence of liquidity may impact in the liquidity of the Shares and the value of its investments.

### **Investment in warrants**

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

### **Stock market volatility**

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

### **Issuer-specific risk**

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

**Interest rate risks**

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

**Market risk**

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

**Investment in derivative instruments**

- 15.10 The use of futures, options and forward contracts exposes the Fund to additional investment risks. Financial futures prices are highly volatile and influenced by a variety of diverse factors including, i.a., changing supply and demand relationships, government, fiscal, monetary and exchange control programs and policies, national and international political and economic events and government intervention in certain markets, particularly in the currency and interest rate markets.
- 15.11 The trading of options, including options on futures contracts and OTC options, is speculative and highly leveraged. Specific market movements of futures contracts or securities underlying an option cannot be accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contracts or security underlying the option which the writer must purchase or deliver upon exercise of the option. Options traded OTC are not regulated.
- 15.12 Futures are also subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached.

**Foreign exchange/currency risk**

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

- 15.14 It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

**Political and/or regulatory risks**

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

**Settlement risk**

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

**Custody risk**

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

**Taxation**

- 15.18 Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. Further details relating to the Luxembourg tax legislation are given under Section 16 "Tax status". However, nothing in this Prospectus may be construed any tax advice and investors should consult their own professional advisers regarding any tax issues in the context of any contemplated investment in the Fund.

**Counterparty risk**

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

**Risk arising from investments in emerging markets**

- 15.20 Payment suspensions and default in developing countries are due to various factors, such as political instability, bad financial management, a lack of currency reserves, capital leaving the country, internal conflicts or the lack of the political will to continue servicing the previously contracted debt.
- 15.21 The ability of issuers in the private sector to face their obligations may also be affected by these same factors. Furthermore, these issuers suffer the effect of decrees, laws and regulations introduced by the government authorities. These may be the modification of exchange controls and amendments to the legal and regulatory system, expropriations and nationalisations and the introduction of, or increase in, taxes, such as deduction at source.

- 15.22 Uncertainty due to an unclear legal environment or to the inability to establish firm ownership rights constitute other decisive factors. Added to this are the lack of reliable sources of information in these countries, the non-compliance of accounting methods with international standards and the lack of financial or commercial controls.
- 15.23 In particular, investors' attention is drawn to the fact that, at present, investments in Russia are subject to increased risk as regards the ownership and custody of Transferable Securities: market practice for the custody of bonds is such that these bonds are deposited with Russian institutions that do not always have adequate insurance to cover risk of loss arising from the theft, destruction or disappearance of instruments held in custody.

### **Investment in Contingent Convertible Bonds**

- 15.24 Certain Compartments may invest in Contingent Convertible Bonds. Under the terms of a Contingent Convertible Bond, certain triggering events, including events under the control of the management of the Contingent Convertible Bond's issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "nonviable", i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the Contingent Convertibles Bonds into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. The attention of investors investing in Compartments that are allowed to invest in Contingent Convertibles Bonds is drawn to the following risks linked to an investment in this type of instruments.

#### *Conversion risk*

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

#### *Coupon cancellation*

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

#### *Capital structure inversion risk*

- 15.27 Contrary to classic capital hierarchy, holders of Contingent Convertible Bonds may suffer a loss of capital when equity holders do not. In certain scenarios, holders of Contingent Convertible

Bonds will suffer losses ahead of equity holders. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

*Call extension risk*

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

*Unknown risk*

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

*Sector concentration risk*

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

*Liquidity risk*

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

**Investment in Distressed Securities**

- 15.31 Investment in a security issued by a company that is either in default or in high risk of default (“Distressed Securities”) involves significant risk. Such investments will only be made when the relevant Investment Manager believes it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In addition, a significant period of time may pass between the time at which the investment in Distressed Securities is made and the time that any such exchange offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the Distressed Securities will be received, there will be significant uncertainty as to whether or not the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Compartment’s interest in the course of negotiations surrounding any potential exchange or

plan of reorganisation. In addition, as a result of participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of Distressed Securities, the investing Compartment may be precluded from disposing of such securities. Furthermore, constraints on investment decisions and actions with respect to Distressed Securities due to tax considerations may affect the return realised on the Distressed Securities.

### **Investments in Sukuks and Convertible Sukuks**

- 15.32 Sukuks, like all fixed income securities, are exposed to a number of risks such as counterparty or credit risks. Price changes in Sukuk are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Sukuk could suffer when capital market interest rates rise, while they could increase in value when capital market interest rate fall. The price changes also depend on the term or residual time to maturity of the Sukuk. In general, Sukuk with shorter terms have less price risks than Sukuk with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs.
- 15.33 Investments in Sukuks issued by governments or government related entities from countries referred as emerging or frontier markets bear additional risks linked to the specifics of such countries (e.g. currency fluctuations, political and economics uncertainties, repatriation restrictions, etc).
- 15.34 Convertible Sukuks are generally subject to the risks associated with debt securities, such as credit risk, liquidity risk and interest rate risk. Convertible Sukuks are also subject to the risk of being reclassified as Sharia'h non-compliant. Such reclassification may affect the price and liquidity of the Convertible Sukuks.

## **16. TAX STATUS**

The Fund is subject to Luxembourg tax legislation.

### **The Fund**

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

### **Shareholders**

- 16.4 According to legislation and current practice in Luxembourg, Shareholders, other than those domiciled, residing or permanently established in Luxembourg and certain former residents of Luxembourg holding more than 10% of the Fund's share capital, are not liable to pay any Luxembourg tax on income, capital gains, donations or legacies. However, it is incumbent upon



any purchasers of Shares in the Fund to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.

## 17. EXCHANGE OF INFORMATION FOR TAX PURPOSES

- 17.0 The Fund may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg legislation implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the “Common Reporting Standard”), each as amended from time to time (each an “AEOI Law” and collectively the “AEOI Laws”). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.
- 17.1 Each Shareholder and prospective investor agrees to provide, upon request by the Fund (or its delegates), any such information, documents and certificates as may be required for the purposes of the Fund’s identification and reporting obligations under any AEOI Law. The Fund reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Fund (or its delegates) has reason to believe that the information, documents or certificates provided to the Fund (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Fund (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Fund nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Fund (or its delegates). Any Shareholder failing to comply with the Fund’s information requests may be charged with any taxes and penalties imposed on the Fund attributable to such Shareholder’s failure to provide complete and accurate information.
- 17.2 Each Shareholder and prospective investor acknowledges and agrees that the Fund will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

**18. BUSINESS YEAR**

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

**19. PERIODICAL REPORTS AND PUBLICATIONS**

- 19.1 The Fund will publish an audited annual report within 4 months after the end of the Business Year and an un audited semi-annual report within 2 months after the end of the period to which it refers.
- 19.2 The reports include accounts of the Fund and of each Compartment.
- 19.3 All these reports will be made available to the Shareholders at the registered office of the Fund, the Depositary, the distributor and other establishments appointed by the Depositary.
- 19.4 The Net Asset Value per Share of each Compartment as well as the issue and redemption prices will be made to the public at the offices of the Depositary and the distributor.
- 19.5 Any amendments to the Articles will be published in the Luxembourg Official Gazette.

**20. LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS**

**The Fund**

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

**Merger of the Fund and the Compartments**

- 20.5 In accordance with the provisions of the 2010 Law and of the Articles, the Board of Directors may decide to merge or consolidate the Fund with, or transfer substantially all or part of the Fund's assets to, or acquire substantially all the assets of, another UCITS established in

Luxembourg or another EU Member State. For the purpose of this Section 20.5, the term UCITS also refers to a compartment of a UCITS and the term Fund also refers to a Compartment.

- 20.6 Any merger leading to termination of the Fund must be approved by a Shareholders meeting subject to the quorum and the majority requirement applying to the modification of the Articles. For the avoidance of doubt, this provision does not apply in respect of a merger leading to the termination of a Compartment.
- 20.7 Shareholders will receive shares of the surviving UCITS or compartment and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares.
- 20.8 The Fund will provide appropriate and accurate information on the proposed merger to its Shareholders so as to enable them to make an informed judgment of the impact of the merger on their investment and to exercise their rights under this Section 20 and the 2010 Law.
- 20.9 The Shareholders have the right to request, without any charge other than those retained by the Fund to meet disinvestment costs, the redemption of their Shares.
- 20.10 The Board of Directors may decide to allocate the assets of a Compartment to those of another existing Compartment within the Fund or to another Luxembourg UCITS or to another compartment within such other Luxembourg UCITS (the “New Compartment”) and to repatriate the Shares of the category of Shares or categories of Shares concerned as Shares of another category of Shares (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in Section 20.8 above one month before its effectiveness (and, in addition, the publication will contain information in relation to the New Compartment), in order to enable the Shareholders to request redemption of their Shares, free of charge, during such period.
- 20.11 Notwithstanding the powers conferred to the Board of Directors by Section 20.10 above, a contribution of the assets and of the liabilities attributable to any Compartment to another Compartment within the Fund may in any other circumstances be decided by a general meeting of Shareholders of the category of Shares or categories of Shares issued in the Compartment concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.
- 20.12 If the interest of the Shareholders of the relevant Compartment or in the event that a change in the economic or political situation relating to a Compartment so justifies, the Board of Directors may proceed to the reorganisation of a Compartment by means of a division into two or more Compartments. Information concerning the New Compartment(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

### **Liquidation of Compartments**

- 20.13 The Board of Directors may also propose to dissolve a Compartment at a General Meeting of that Compartment. The proceedings at this General Meeting shall be subject to quorum

requirements in conformity with the Articles and the decision to dissolve the Compartment shall be taken by the majority of the Shares in that Compartment represented at this meeting.

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

## 21. DOCUMENTS AVAILABLE FOR INSPECTION

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

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

## 22. INVESTMENT RESTRICTIONS

- 22.1 The Fund has adopted the following restrictions relating to the investment of the Fund's assets and its activities. These restrictions and policies may be amended from time to time by of the Fund if and as it shall deem it to be in the best interests of the Fund, in which case this Prospectus will be updated.
- 22.2 The investment restrictions imposed by Luxembourg law must be complied with by each Compartment.

### **Investments in eligible assets**

- 22.3 Investments in the Fund shall comprise exclusively:

- (a) Transferable Securities and Money Market Instruments listed or dealt on a Regulated Market; and /or
- (b) Transferable Securities and Money Market Instruments dealt on an Other Regulated Market in a EU Member State; and /or
- (c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt on an Other Regulated Market in an Other State; and/or
- (d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, an official stock exchanges in an Other State or on an Other Regulated Market referred to above under Sections 22.3(a) to 22.3(c) of the main part of the Prospectus and that such a listing will be obtained within one year of the date of issue;
- (e) units/shares of UCITS and/or other UCIs, whether situated in a EU Member State or not, provided that:
  - (i) such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (at the time of the present Prospectus, the EU law and/or OCDE Member States as well as Hong Kong, Jersey, Guernsey and Liechtenstein);
  - (ii) the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (iii) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - (iv) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units/shares of other UCITS or other UCIs; and/or
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a EU Member State or, if the registered office of the credit institution is situated in an Other State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or
- (g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market, stock exchange in an Other State or on an Other Regulated Market referred to under Sections 22.3(a) to 22.3(c) of the main part of the Prospectus above, and/or OTC Derivatives, provided that:

- (i) the underlying consists of instruments covered by this Section 22.3, financial indices, interest rates, foreign exchange rates or currencies, in which the Compartments may invest according to their respective investment objective;
  - (ii) the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - (iii) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative; and/or
- (h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- (i) issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - (ii) issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Market referred to Sections 22.3(a) to 22.3(c) of the main part of the Prospectus above, or
  - (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or
  - (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (i) In addition, the Fund may invest a maximum of 10% of the net assets of any Compartment in Transferable Securities and Money Market Instruments other than those referred to under Section 22.3 above.

22.4 However, each Compartment may:

- (a) hold ancillary liquid assets;

- (b) invest no more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.

*Risk diversification*

- 22.5 Each Compartment may not invest more than 20% of its net assets in deposits made with the same body.
- 22.6 Furthermore, where any Compartment holds investments in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net asset value of such Compartment, the total value of all such investments must not account for more than 40% of the net asset value of such Compartment. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- 22.7 The counterparty risk of a Compartment arising from OTC Derivative transactions and efficient portfolio management techniques may not exceed 10% of its net assets when the counterparty is a credit institution referred to in Section 22.3(f) above or 5% in any other case.
- 22.8 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in Sections 22.4(b), 22.6, 22.7, 22.12 to 22.14, 22.16 and 22.18 of the main part of the Prospectus. When the Compartment invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in Sections 22.4(b), 22.6, 22.7, 22.12 to 22.14, 22.16 and 22.18 of the main part of the Prospectus.
- 22.9 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of Sections 22.10 and 22.11 below as well as with the risk exposure and information requirements laid down in this Prospectus.
- 22.10 The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.
- 22.11 The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.
- 22.12 Notwithstanding the individual limits laid down in Sections 22.4(b), 22.6 and 22.7 above, a Compartment may not combine:
  - (a) investments in Transferable Securities or Money Market Instruments issued by,
  - (b) deposits made with, and/or
  - (c) exposures arising from OTC Derivative transactions undertaken with,
 a single body in excess of 20% of its net assets.
- 22.13 The limit of 10% laid down in Section 22.4(b) above shall be 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a EU Member State, its local authorities or by any Other State or by public international bodies of which one or more EU Member States are members.

- 22.14 The limit of 10% set forth under Section 22.4(b) above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a EU Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Compartment invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Compartment.
- 22.15 The securities and Money Market Instruments specified under (i) and (C)(4) above shall not be included in the calculation of the limit of 40% under (C)(2)(i).
- 22.16 The limits set out in Sections 22.4(b), 22.6, 22.7, 22.12 to 22.14 above may not be aggregated and, accordingly, the value of investments in Transferable Securities and Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with Sections 22.4(b), 22.6, 22.7, 22.12 to 22.14 above may not, in any event, exceed a total of 35% of each Compartment’s net asset value.
- 22.17 Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in Sections 22.4(b) to 22.18 of the main part of the Prospectus.
- 22.18 A Compartment may cumulatively invest up to 20% of its net assets in Transferable Securities and Money Market Instruments within the same group.
- 22.19 Subject to having due regard to the principle of risk spreading, a Compartment need not comply with the limits set out in articles 43 to 46 of the 2010 Law for a period of 6 months following the date of its authorisation and launch.

*Exceptions which can be made*

- 22.20 **Where any Compartment has invested in accordance with the principle of risk spreading in Transferable Securities and Money Market Instruments issued or guaranteed by a EU Member State, by its local authorities or by any OECD Member State, by certain non-OECD Member States (currently Brazil, Indonesia, Russia, Singapore, Hong-Kong and South-Africa), or by public international bodies of which one or more EU Member States are members, the Fund may invest 100% of the net assets of any Compartment in such Transferable Securities and Money Market Instruments provided that such Compartment must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net assets of the Compartment.**
- 22.21 Without prejudice to the limits set forth hereafter under Section 22.32 below, the limits set forth in Sections 22.5 to 22.18 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Compartment's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, on the following basis:



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

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

*Investment in UCITS and/or other UCIs*

- 22.22 Each Compartment may acquire units of the UCITS and/or other UCIs referred to in Section 22.3(e) above, provided that no more than 20% of a Compartment's net assets are invested in the units of a single UCITS or other UCI.
- 22.23 For the purpose of the application of investment limits, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
- 22.24 Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Compartment.
- 22.25 When a Compartment invests in the units of other UCITS and/or other UCIs linked to the Fund by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the relevant Investment Manager, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.
- 22.26 In respect of a Compartment's investments in UCITS and other UCIs linked to the Fund as described in the preceding Section, the total management fee (excluding any performance fee, if any) charged to such Compartment and each of the UCITS or other UCIs concerned shall not exceed 2.5% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Compartment and to the UCITS and other UCIs in which such Compartment has invested during the relevant period.
- 22.27 The Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS and/or UCI concerned, all Compartments combined.
- 22.28 The underlying investments held by the UCITS or other UCIs in which the Compartments invest do not have to be considered for the purpose of the investment restrictions set forth under Sections 22.5 to 22.18 above.
- 22.29 The investment limits laid down above may be exceeded whenever subscription rights attaching to securities which form part of the Fund's assets are being exercised.

- 22.30 If such limits are exceeded as a result of exercising subscription rights or for reasons beyond the Fund's control, the Fund shall endeavour as a priority aim to redress the balance, while taking due account of the interests of the Shareholders.

*Investments between Compartments*

- 22.31 A Compartment (the "Investing Compartment") may invest in one or more other Compartments. Any acquisition of shares of another Compartment (the "Target Compartment") by the Investing Compartment is subject to the following conditions:
- (a) the Target Compartment may not invest in the Investing Compartment;
  - (b) the Target Compartment may not invest more than 10% of its net assets in UCITS (including other Compartments) or other UCIs referred to in Section 22.3(e) above;
  - (c) the voting rights attached to the shares of the Target Compartment are suspended during the investment by the Investing Compartment; and
  - (d) the value of the share of the Target Compartment held by the Investing Compartment are not taken into account for the purpose of assessing the compliance with the EUR1,250,000 minimum capital requirement.

**Prohibited investments**

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

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

The limits set out in sub-paragraphs (b) and (c) of Section 22.32 above shall not apply to:

- (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
  - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members; or
  - (iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Compartment's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in articles 43, 46 and 48(1) and (2) of the 2010 Law.
- (d) making investments in precious metals or certificates representing these
- (e) entering into transactions involving commodities or commodity contracts, except that the Fund may employ techniques and instruments relating to Transferable Securities within the limits set out in Section 23 below;
- purchasing or selling real estate or any option, right or interest therein, provided the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein;
- (f) carrying out uncovered sales of Transferable Securities, other financial instruments or Money Market Instruments referred to in Sections 22.3(e), 22.3(g) and 22.3(h) above;
- (g) mortgaging, pledging, hypothecating or otherwise encumbering as security for indebtedness any securities held for the account of any Compartment, except as may be necessary in connection with the borrowings mentioned in sub-paragraph (a) of Section 22.32 above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net assets of each Compartment. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose;
- (h) underwriting or sub-underwriting securities of other issuers.

## 23. EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

### General

- 23.0 The Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments provided that such techniques and instruments are used for the purposes of efficient portfolio management within the meaning of, and under the conditions set out in, applicable laws, regulations and circulars issued by the CSSF from time to time. In particular, those techniques and instruments should not result in a change of the investment

objective and policy of a Compartment or should not add substantial supplementary risks in comparison to the stated risk profile of any Compartment.

- 23.1 The risk exposure to a counterparty resulting from efficient portfolio management techniques and OTC Derivatives must be combined when calculating counterparty risk limits referred to under Section 22.7 above.
- 23.2 All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Fund. In particular, fees and cost may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or Investment Manager – will be available in the annual report of the Fund.

#### **Securities lending and borrowing**

- 23.3 The Fund may more specifically enter into securities lending transactions provided that the following rules are complied with in addition to the abovementioned conditions:
  - (a) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
  - (b) The Fund may only lend securities to a borrower either directly or through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by the EU law and specialised in this type of transaction;
  - (c) The Fund may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

#### **Repurchase agreement transactions**

- 23.4 The Fund may enter into repurchase agreements that consist of forward transactions at the maturity of which the Fund (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Fund may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Fund (buyer) the obligation to return the assets purchased under the transactions. The Fund may also enter into transactions that consist of the purchase/sale of securities with a clause reserving for the counterparty/Fund the right to repurchase the securities from the Fund/counterparty at a price and term specified by the parties in their contractual arrangements.
- 23.5 The Fund's involvement in such transactions is, however, subject to the additional following rules:

- (a) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (b) The Fund may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

### **Management of collateral and collateral policy**

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

### **Eligible collateral**

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

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

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

23.9 Notwithstanding the previous Section, in line with the CSSF Circular 14/592, which transposed the Guidelines issued by the European Securities and Market Authority (ESMA) “ESMA/2014/937”, at the date of the Prospectus, collateral will be only received in:

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

#### **Level of collateral required**

23.10 The level of collateral required across all efficient portfolio management techniques or OTC Derivatives will be at least 100% of the exposure to the relevant counterparty. This will be achieved by applying the haircut policy set out under Sections 23.11 to 23.17 below.

#### **Haircut policy**

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

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

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

Government debts and supranational debt securities	Remaining stated maturity of	Haircut applied
	Not exceeding 1 year	1%
	1 to 5 years	3%
	5 to 10 years	4%
	10 to 20 years	7%
	20 to 30 years	8%

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

23.15 Cash collateral received by the Fund can only be:

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

23.16 Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral under Section 23.7 above.

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

## 24. RISK MANAGEMENT PROCESS

The Fund will employ a risk-management process which enables it with the Investment Managers to monitor and measure at any time the risk of the positions and their contribution to

## PROTEA FUND

the overall risk profile of each Compartment. The Fund or the relevant Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC Derivatives.



## APPENDIX 1

### COMPARTMENTS ALREADY IN OPERATION

This Appendix 1 will be updated to take account of any changes in one of the Compartments already operating or whenever a new Compartment is set up.

#### 1. PROTEA FUND – FIXED INCOME\*

- 1.1 \*The compartment Protea Fund – Fixed Income (the “Compartment”) is strictly dedicated to Institutional Investors

##### **Investors’ profile**

- 1.2 The Compartment is a low/medium risk vehicle aiming to provide preservation of capital in euro terms. The Compartment will be suitable for conservative, risk averse investors, for whom income and preservation of principal are their primary objectives over the long term. Investors should be aware, however, that the preservation of capital is not guaranteed.
- 1.3 The recommended duration of placement for investors is 3 to 5 years.

##### **Objectives and investment policy**

- 1.4 This Compartment aims to provide capital preservation and income by investing mainly in bonds (including but not limited to fixed-rate or floating-rate securities, zero-coupon bonds and Treasury bonds), with a minimum credit rating of A, measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager. The Compartment may also invest in equity and equity related securities, such as ordinary or preferred shares, convertible bonds, and to a lesser extent, subscription rights on Transferable Securities, warrants on Transferable Securities and options on Transferable Securities.
- 1.5 The Compartment may also invest, within the limits set out in Section 22 “Investment restrictions” of the main body of the Prospectus, in other open-ended UCIs.
- 1.6 The choice of investments will not be limited geographically, nor by economic sector, nor in terms of currencies in which investments will be denominated.
- 1.7 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may, for defensive purposes and on an ancillary basis, also hold, up to 100% of its net assets, cash deposits, money market funds and Money Market Instruments whose residual maturity does not exceed 12 months.
- 1.8 Within the limits set forth in the in Section 22 “Investment restrictions” of the main body of the Prospectus, the Compartment may use derivative techniques and instruments for hedging. The aggregate sum of commitment arising from the use of these instruments shall not exceed the value of the Compartment’s net assets.
- 1.9 In particular, the Compartment may use call or put options and/or futures and/or forward contracts on Transferable Securities, interest rates, currencies, indices and other financial instruments, such as swaps agreements, traded on Regulated Markets or OTC.

### **Risk consideration specific to the Compartment**

- 1.10 The Compartment is subject to the specific risks linked to interest rates risks linked to investment in debt securities as well as to risks linked to investments in equity securities and UCIs and market volatility linked to the investment in derivative instruments and warrants; to the extent the Compartment may invest in securities of emerging markets, it may further be subject to risks related to such type of investments. Please refer to the Section 15 headed “Risk considerations” above for further details in this connection.

### **Global risk exposure**

- 1.11 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments, which may not exceed the value of the Compartment’s net assets.

### **Performance**

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

### **Income distribution policy**

- 1.13 This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

### **Reference Currency**

- 1.14 The Reference Currency is the EUR.

### **Frequency of calculation of NAV**

- 1.15 The Net Asset Value of the Compartment shall be calculated (i) on the first Business Day of each month as well as (ii) on the fifteenth calendar day of each month and if such day is not a Business Day, on the immediately following Business Day (each a Valuation Day).

### **Management of the Compartment**

- 1.16 In relation to investment opportunities for this Compartment, the Management Company has appointed Banque Pictet & Cie S.A., whose registered office is at 60, route des Acacias, CH-1211 Geneva 73, Switzerland, as Investment Manager, under the term of an Investment Management Agreement dated 28 March 2014.
- 1.17 The Investment Manager has appointed Pictet Bank and Trust Limited, whose registered office is at P.O. Box N – 4837, Bayside Executive Park, West Bay Street, Nassau, Bahamas, as Investment Adviser under the terms of an Investment Advisory Agreement dated 28 March 2014.

## PROTEA FUND

### Management fee specific to this Compartment

1.18 Management fee: Maximum 0.40% per annum.

## 2. PROTEA FUND – EQUITY SELECTION

### **Investors' profile**

- 2.1 The compartment Protea Fund – Equity Selection (the “Compartment”) is a medium/high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in equities and are more concerned with maximising long term returns than minimising possible short term losses. Hence it requires an investment horizon of at least 3 years.

### **Objectives and investment policy**

- 2.2 The Compartment's objective is to provide capital growth primarily through investment in equity. To achieve this, the Compartment will mainly invest in a selected portfolio of equity and equity related securities of companies worldwide. Investments may include ordinary or preferred shares, convertible bonds, reverse convertible bonds and to a lesser extent, subscription rights on Transferable Securities, warrants on Transferable Securities and options on Transferable Securities. Investment in equity as per the foregoing may be made either directly or indirectly via investment in other UCIs, within the limits set out in in Section 22 “Investment restrictions” of the main body of the Prospectus.
- 2.3 On an ancillary basis, the Compartment may also invest in any kind of debt securities.
- 2.4 The choice of investments will not be limited geographically, nor by economic sector, nor in terms of currencies in which investments will be denominated.
- 2.5 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may, for defensive purposes and on an ancillary basis, also hold cash deposits, money market funds and Money Market Instruments. Nonetheless, investments in debt securities, within the meaning of the EU Savings Directive, will be limited to 15% of the Compartment's net assets; in exceptional circumstances only, when market conditions so command, such limit may be exceeded but, in any event, investments of this kind will then not exceed 40% of the Compartment's net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Compartment will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.
- 2.6 Within the limits set out in in Section 22 “Investment restrictions” in the main body of the Prospectus, the Investment Manager may use derivative techniques and instruments for hedging purposes and on an ancillary basis for efficient portfolio management, in order to improve the returns of the Compartment. In particular, the Compartment may use call or put options and/or futures and/or forward contracts on Transferable Securities, interest rates, indices and other financial instruments, such as swaps agreements, traded on Regulated Markets or OTC, including interest rate swaps and total return swaps, as well as currency related derivatives. Always on an ancillary basis, the Compartment may also invest in any kind of structured products provided that the underlying respects the investment policy and investment restrictions.

### **Risk considerations specific to the Compartment**

- 2.7 The Compartment is subject to the specific risks linked to investments in equity securities and UCIs as well as to market volatility linked to the investment in derivative instruments, structured products and warrants. Furthermore, a risk of illiquidity of the Compartment may not be excluded. Finally, to the extent the Compartment may invest in securities of emerging markets, it may further be subject to risks related to such type of investments. For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 headed "Risk considerations" above for further details in this connection.

### **Global risk exposure**

- 2.8 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments, which may not exceed the value of the Compartment's net assets.

### **Performance**

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

### **Income distribution policy**

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

### **Reference Currency**

- 2.11 The Reference Currency is the EUR.

### **Management of the Compartment**

- 2.12 In relation to investment opportunities for the Compartment, the Management Company has appointed Banque Pictet & Cie S.A., whose registered office is at 60, route des Acacias, CH – 1211 Geneva 73, Switzerland, as Investment Manager under the terms of an Investment Management Agreement dated 28 March 2014.
- 2.13 The Investment Manager has appointed (i) Pictet Advisory Services (Overseas) Ltd, whose registered office is at Bayside Executive Park, Building No. 1, West Bay Street and Blake Road, Nassau, Bahamas, and Pictet Bank and (ii) Trust Limited, whose registered office is at P.O. Box N-4837, Bayside Executive Park, West Bay Street, Nassau, Bahamas, as Investment Advisors under the term of an Investment Advisory Agreement dated 28 March 2014.

### **Frequency of calculation of NAV**

- 2.14 The Net Asset Value of the Compartment shall be calculated (i) on the first Business Day of each month as well as (ii) on the fifteenth calendar day of each month and if such day is not a Business Day, on the immediately following Business Day (each a Valuation Day).

## **PROTEA FUND**

### **Management and advisory fees specific to this Compartment**

2.15 Management fee: up to 1% per annum

### 3. PROTEA FUND – BLUE SKY

#### **Investors' profile**

- 3.1 The compartment Protea Fund – Blue Sky (the “Compartment”) is a medium risk vehicle aiming at providing capital growth. It may be suitable for investors who are seeking moderate capital growth over a medium to long term and who are able to tolerate moderate price fluctuation.
- 3.2 The Compartment requires an investment horizon of at least 4 years.

#### **Investment Objective**

- 3.3 The objective of the Compartment is to allow investors who have a medium to long term investment horizon to benefit from a moderate growth investment strategy offering the opportunity to invest in a global portfolio.
- 3.4 The assets of the Compartment will be allocated in order to achieve a diversified economic exposure by including various asset classes such as: global fixed income, global equity, real estate collective investments, alternative investments and commodities, as well as other assets authorised by Section 22 “Investment restrictions” of the main body of the Prospectus.
- 3.5 The choice of investments will neither be limited by a specific asset type, geographical area (including emerging markets), economic sector nor in terms of currencies in which investments will be denominated. Depending on the market conditions, the portions of the asset classes may be adjusted for tactical reasons.
- 3.6 In accordance with the investment restrictions described in Section 22 “Investment restrictions” of the main body of the Prospectus, such an exposure to financial derivative instruments would mainly be achieved indirectly i.e. through the use of structured products which qualify as Transferable Securities (i.e. certificates). In order to further diversify the potentially restricted liquidity of this type of investment, the Compartment will seek to invest preferably through numerous issues and/or issuers.
- 3.7 The investment objective of the Compartment includes preserving a neutral bias; hence no restriction applies to currencies, sectors or regional weights (including emerging markets).
- 3.8 There can be no assurance that the investment objective will be achieved.

#### **Investment Policy**

- 3.9 The Compartment will endeavour to attain the investment objective by mainly investing in Transferable Securities, namely:
  - (a) fixed income investments, floating rate investments, inflation linked bonds, notes, bonds cum warrants, fixed income funds, Money Market Instruments, UCITS and/or UCI, and any other kind of debt instruments issued by public or private issuers,
  - (b) ordinary shares, preferred, shares, subscription rights and any other equity type of security,

- (c) closed-ended collective real estate investments, notably closed-ended REITS, closed-ended real estate investment funds and closed-ended real estate investment companies,
- (d) structured investment products such as but not limited to certificates, bonds, or other Transferable Securities whose returns are correlated to:
  - (i) an index (notably on commodities, precious metals, volatility;
  - (ii) currencies;
  - (iii) interest rates;
  - (iv) Transferable Securities or a basket of Transferable Securities;
  - (v) UCITS/UCI, including notably UCITs eligible alternative strategy funds hedge funds and/or fund of hedge funds;
  - (vi) any other type of underlying respecting the investment objective, the investment policy and the investment restrictions;
- (e) units of UCITS and/or UCIs, within the limits set out in Section 22 "Investment restrictions" of the main body of the Prospectus;
- (f) cash settled commodity- and/or precious metal certificates, which do not contain an embedded derivative,

3.10 Within the limits set out in the investment restrictions described in Section 22 of the main body of the Prospectus, the Compartment may also achieve the investments described under subparagraphs 3.9(a), 3.9(b), 3.9(c), and 3.9(d) above indirectly by investing a significant part of its assets in UCITS or UCIs . Due to the fact that the Sub-fund invests in other UCIs, the Shareholder is exposed to a possible duplication of fees and charges. However, the maximum percentage of the fixed management fee at the level of the target UCIs will be 2%.

3.11 In accordance with the investment restrictions described in Section 22 of the main body of the Prospectus, the Compartment may use all types of derivative instrument traded on a Regulated Market for hedging and for investment purposes. Those products may also be concluded OTC, provided that they are contracted with establishments subject to prudential supervision.

3.12 In particular, the Compartment may take exposure through any derivative investments, such as but not limited to: warrants, futures, options, swaps (including but not limited to: total return swaps, contract for difference, credit default swaps and forwards on any underlying including but not limited to, commodities and precious metals (only cash settled), currencies (including non-delivery forwards), interest rates, Transferable Securities, indexes (including but not limited to commodities, precious metals or volatility indices), UCIs and in any other underlying in respect of the investment objective, the investment policy and the investment restrictions described in the main body of the Prospectus.

3.13 The aggregate sum of commitment arising from the use of these instruments for purposes other than hedging may not exceed 100% of the value of the Compartment's net assets.



- 3.14 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also, for defensive purposes, hold up to 100% of its net assets in liquid assets, money market funds and Money Market Instruments.
- 3.15 The Compartment will not enter into securities lending transaction.

**Risk considerations specific to the Compartment**

- 3.16 The Shareholders should be aware of the significant volatility of derivative financial instruments which may lead to a greater volatility of the Shares.
- 3.17 The Shareholders should be aware that, due to the potentially restricted liquidity of the underlying alternative assets, investments in structured products on such alternative assets present a potential risk. Liquidation costs for such assets can be higher than usual and therefore may have a negative impact on the performance of the Compartment.

**Global risk exposure**

- 3.18 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments, which may not exceed the value of the Compartment's net assets.

**Performance**

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

**Income distribution policy**

- 3.20 This Compartment pursues an income distribution policy. Any dividend will be paid after the annual General Meeting, at the latest within 6 months after the close of the Business Year. However, the Directors reserve their right to revise this policy at their discretion.

**Reference Currency**

- 3.21 The Reference Currency is the EUR.

**Management of the Compartment**

- 3.22 The Management Company has appointed Bankhaus Herzogpark AG, whose registered office is at Pienzenauerstraße 27, D-81679 Munich, Germany, as Investment Manager to manage the assets of the Compartment under the terms of the Investment Management Agreement dated 25 June 2015 and with effect as of 1 August 2015.

**Frequency of calculation of NAV**

- 3.23 The Net Asset Value of the Compartment shall be calculated (i) on the first Business Day of each month as well as (ii) on the fifteenth calendar day of each month and if such day is not a Business Day, on the immediately following Business Day (each a Valuation Day).

**Management fee specific to this Compartment**

- 3.24 Management fee: Maximum 1.8 % per annum, payable quarterly and calculated on net assets of the Compartment.

**Initial Subscription Date**

- 3.25 On 29 December 2008, with value date on 29 December 2008, at the Initial Subscription Price of EUR100 per Share, with a minimum amount of EUR5,000.

#### 4. PROTEA FUND – TRADING

##### **Investors' profile**

- 4.1 The compartment Protea Fund – Trading (the “Compartment”) is a high risk vehicle aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long term returns than minimising possible short term losses. Hence it requires an investment horizon of at least 5 years.

##### **Objectives and investment policy**

- 4.2 The Compartment's objective is to provide a long-term capital appreciation through exposure to any type of bonds, any type of equity and equity related securities of companies worldwide, which the Investment Manager believes offer the best potential for high future profitability.
- 4.3 In order to achieve its objective, the Compartment may invest:
- (a) directly in equity and equity related securities (including but not limited to ordinary or preferred shares, convertibles bonds), debt securities of all types (including but not limited to fixed-rate or floating securities, zero-coupon bonds and treasury bonds), ABS, MBS, CLO;
  - (b) in UCIs having as main objective to invest or grant an exposure to the above-mentioned asset classes; and/or
  - (c) in any Transferable Securities (such as structured products, as described below) linked (or offering an exposure) to the performance of the above-mentioned asset classes.
- 4.4 Investments in asset-backed securities and mortgage-backed securities can be made up to 20% of the net assets of the Compartment.
- 4.5 The proportion of assets invested in debt securities may be greater or smaller depending on the outlook for the financial markets.
- 4.6 The choice of investments will neither be limited by a specific asset type, geographical area (including emerging markets), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single asset type, country (or some countries) and/or in a single currency and/or in a single economic sector.
- 4.7 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also, hold, up to 100% of its net assets, liquid assets as among others cash deposits, money market funds and Money Market Instruments.
- 4.8 Within the limits set out in Section 22 “Investment restrictions” in the main body of the Prospectus, the Investment Manager may use all types of derivatives instruments traded on a Regulated Market and/or OTC, provided they are contracted with leading financial institutions specialised in this type of transactions for hedging and for investment purposes in order to improve the return of the Compartment. In particular, the Compartment may take exposure through any derivative investments such as but not limited to warrants, futures, options, swaps

(including but not limited to contracts for difference, credit default swaps and forwards on any underlying including, but not limited to, commodities and precious metals (only cash settled), currencies (including non-delivery forwards), interest rates, Transferable Securities, indexes (including but not limited to commodities, precious metals or volatility indexes). The Compartment may ensure that its total commitment arising from derivative instruments, for purposes other than hedging, does not exceed the total net value of its portfolio.

4.9 The Compartment may invest in structured products, provided that the underlying respect the investment policy and investment restrictions, such as but not limited to certificates, bonds or other Transferable Securities whose returns are or are not correlated with changes in an index (including but not limited to commodities, precious metals, volatility), interest rates, Transferable Securities, private equity or basket of Transferable Securities or an UCI or commodities and precious metals (cash settled only). Those investments may not be used to elude the investment policy of the Compartment.

4.10 Due to increased volatility of the markets, the portfolio of the Compartment may have an annual turnover consequently much higher than for a traditional management, which may subsequently entail additional costs for the Compartment, such as the related transaction fees.

#### **Risk considerations specific to the Compartment**

4.11 The Compartment is subject to the specific risks linked to investments in equity securities and UCIs as well as to market volatility linked to the investment in derivative instruments and structured products. Furthermore, a risk of illiquidity of the Compartment may not be excluded.

4.12 The low level of investment diversification as well as the intensive trading activity may result in a high volatility of the net asset value.

4.13 Subject to the assets allocation, the Compartment may also be subject to the specific risks linked to investments in emerging markets.

4.14 For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 "Risk considerations" of the main part of the Prospectus.

#### **Global risk exposure**

4.15 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments, which may not exceed the value of the Compartment's net assets.

#### **Income distribution Policy**

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

#### **Reference Currency**

4.17 The Reference Currency is the EUR.

### **Management of the Compartment**

- 4.18 In relation to investment opportunities for the Compartment, the Management Company has appointed Banque Pictet & Cie S.A., whose registered office is at 60, route des Acacias, CH – 1211 Geneva 73, Switzerland, as Investment Manager, under the term of an Investment Management Agreement dated 28 March 2014.
- 4.19 The Investment Manager has appointed Pictet Advisory Services (Overseas) Ltd, whose registered office is at Bayside Executive Park, Building No. 1, West Bay Street and Blake Road, Nassau, Bahamas, as Investment Adviser under the terms of an Investment Advisory Agreement dated 28 March 2014.

### **Frequency of calculation of NAV**

- 4.20 Each Wednesday is a Valuation Day. In the event any such Wednesday is not a Business Day, the Valuation Day is on the immediately following Business Day.

### **Management fee specific to this Compartment**

- 4.21 Management fee: 1.5%

### **Performance fee**

- 4.22 The Investment Manager will receive a performance fee, paid quarterly, based on the net asset value, equivalent to 20% of the performance of the NAV per Share exceeding the Reference NAV (as defined hereafter).
- 4.23 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 4.24 The performance fee is equal to the out performance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the Reference NAV for the calculation period in question.
- 4.25 The reference NAV is the latest NAV per Share after deduction of performance fee during the previous calculation period (the "Reference NAV"). The reference NAV for the first period is the initial NAV per Share.
- 4.26 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 4.27 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.

4.28 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the Reference NAV until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

4.29 The calculation period corresponds to each calendar quarter.

4.30 Performance fees are payable within 15 Business Days following the relevant quarter.

4.31 The formula for the calculation of the performance fee is as follows:

$$\begin{aligned}
 F &= 0 && \text{If } (B / E - 1) \leq 0 \\
 F &= (B / E - 1) * E * C * A && \text{If } (B / E - 1) > 0 \\
 \\ 
 \text{The new Reference NAV} &= D \text{ at the end of the previous period} \\
 \\ 
 \text{Number of Shares outstanding} &= A \\
 \text{NAV per Share before performance} &= B \\
 \text{Performance fee rate (20\%)} &= C \\
 \text{NAV per Share after performance} &= D \\
 \text{Reference NAV} &= E \\
 \text{Performance fee} &= F
 \end{aligned}$$

#### Initial Subscription Date

4.32 On 3 March 2009, with payment date on 9 March 2009, at the Initial Subscription Price of EUR100 per Share.

**5. PROTEA FUND – ORION**

**Investors' profile**

- 5.1 The compartment Protea Fund – Orion (the “Compartment”) is a medium risk vehicle aiming at providing capital growth. It may be suitable for investors who are seeking moderate capital growth over a medium to long term and who are able to tolerate moderate price fluctuation.
- 5.2 The Compartment requires an investment horizon of at least 4 years.

**Investment objective**

- 5.3 The objective of this Compartment is to achieve capital appreciation over the medium to long-term by investing its assets across all the asset classes based on a macro analysis.

**Investment policy**

- 5.4 The Compartment intends to invest mainly in (1) all kinds of securities, with fixed or variable income, including, but not limited to, equity, bonds (including but not limited to zero-coupon, indexed or convertible bonds), commodity related products (considered as eligible assets under the investment restrictions), (2) all kind of financial derivative instruments as described below (3) Money Market Instruments and (4) structured products (as described below) linked to the performance of the above mentioned securities.
- 5.5 There is no limitation or restriction on with respect to the asset allocation or sectorial and geographical exposure (including emerging markets), subject to the limits set out in Section 22 “Investment Restrictions” of the main body of the Prospectus.
- 5.6 Depending on financial market conditions, a particular focus can be placed in a limited asset classes, a limited type of securities, a single country, a small number of countries, or a particular geographic region.
- 5.7 Within the limits set out in Section 22 of the main body of the Prospectus, the investment policy can be achieved indirectly via investments in other UCITS and/or UCIs.
- 5.8 Within the limits of Section 22.3 of the main body of the Prospectus, the Compartment may invest, among others, in the following regulated UCIs: alternative funds and/or hedge funds and/or funds of hedge funds or other funds of funds.
- 5.9 For hedging and for any other purposes, within the limits set out in Section 22 of the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC, provided they are contracted with leading financial institutions specialised in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (such as, total return swaps, contracts for difference or credit default swaps) and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, Transferable Securities, basket of Transferable Securities, indexes (including but not limited to commodities, precious metals or volatility indexes) and UCIs.

- 5.10 The Compartment may also invest in structured products, such as but not limited to credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, an index selected in accordance with article 9 of the Grand-Ducal Regulation (including indexes on volatility, commodities, precious metals, etc.), currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI at all times in compliance with the Grand-Ducal Regulation. Investments in asset-backed securities and mortgage-backed securities can be made up to 20% of the net assets of the Compartment. In compliance with the Grand-Ducal Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.
- 5.11 The Compartment's investments in Russia, other than those which are listed on the Moscow Interbank Currency Exchange (MICEX) and on the Russian Trading System (RTS) (which are recognised as Regulated Markets), combined with investments that are made in other assets as referred in Section 22.3(i) of the main body of the Prospectus shall not exceed 10% of the net assets of the Compartment.
- 5.12 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also hold, on a temporary basis, up to 100% of its net assets, in liquidities such as among others cash deposits, money market funds and Money Market Instruments.

**Risk considerations specific to the Compartment**

- 5.13 The Compartment is subject to risks linked to equity markets, interest rates or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.
- 5.14 The attention of prospective investors is drawn to the fact that the use of financial derivative instruments with the aim of increasing results may entail certain risks, which may in turn have a negative impact on the overall performance of the Compartment.
- 5.15 Due to the increasing volatility of the market, the portfolio may be subject to a high rotation, with the consequent increase in transaction fees.
- 5.16 Investors should refer to Section 15 "Risk considerations" of the main body of the Prospectus for further details in this connection.
- 5.17 Investors should be aware that, due to the political and economic situations in emerging countries, investment in this Compartment presents greater risk and is intended only for investors who are able to bear and assume this increased risk.
- 5.18 Investments in specific countries may mean that diversification in country and economic area terms is slight. The performance can also differ significantly from the general trend of the global equity markets.



### **Global risk exposure**

- 5.19 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments, which may not exceed the value of the Compartment's net assets.

### **Performance**

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

### **Income distribution Policy**

- 5.21 This Compartment pursues an income distribution policy. Any dividend will be paid after the annual General Meeting, at the latest within 6 months after the close of the Business Year. However, the Directors reserve their right to revise this policy at their discretion.

### **Reference Currency**

- 5.22 The Reference Currency is the Euro.

### **Management of the Compartment**

- 5.23 The Management Company has appointed LGT Bank (Switzerland) A.G., whose registered office is at Glärnischstrasse 34. P.O. Box, CH – 8022 Zurich, Switzerland, as Investment Manager to manage the investments of the Compartment, under the terms of the Investment Management Agreement dated 28 March 2014.

### **Frequency of calculation of NAV**

- 5.24 The net asset value of the Compartment shall be calculated (i) on the first Business Day of each month as well as (ii) on the fifteenth calendar day of each month and if such day is not a Business Day, on the immediately following Business Day (each a Valuation Day).

### **Management fee specific to this Compartment**

- 5.25 Management fee: Maximum 1% per annum, payable quarterly and calculated on assets of the Compartment.

### **Initial Subscription Date**

- 5.26 On 21 December 2009, with payment date on 28 December 2009 at the Initial Subscription Price of EUR100 per Share.

## 6. PROTEA FUND – AC FUND BALANCED

### **Investors' profile**

- 6.1 The compartment Protea Fund – AC Fund Balanced (the “Compartment”) is a medium risk vehicle. It may be suitable for investors who are seeking moderate capital growth over a medium to long term and who are able to tolerate moderate price fluctuation.
- 6.2 The Compartment requires an investment horizon of at least four (4) years.

### **Investment objective**

- 6.3 The objective of the Compartment is to allow investors with a medium to long term investment horizon to benefit from a diversified portfolio with reference currency EUR that follows a moderate growth investment strategy.

### **Investment policy**

- 6.4 The Compartment intends to mainly invest in (i) all kind of securities, with fixed or variable income, including, but not limited to, bonds (including but not limited to zero-coupon, indexed or convertible bonds), equity and equity related securities (such as ADR, GDR, EDR), commodity related products, (ii) all kind of financial derivative instruments as described below, (iii) money market instruments and (iv) structured products (as described below) linked to the performance of the above mentioned securities.
- 6.5 Under normal conditions, global exposure to debt may vary from 0 to 60% of the net assets and equity instruments from 0 to 70% of the net assets of the Compartment.
- 6.6 However, the Compartment may invest directly in the assets listed below, subject to the following limits in accordance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation:
- Units or shares of REITS that are closed-ended UCIs up to 10% of the net assets of the Compartment;
  - Contingent convertible bonds up to 10% of the net assets of the Compartment;
  - Convertible debt securities up to 20% of the net assets of the Compartment;
  - Debt securities with a credit rating of all types (investment grade, high yield and unrated). Credit ratings referred above are those measured by any leading credit agencies or with quality considered as equivalent by the Investment Manager in the absence of any official rating. In case of dual official rating, the higher rating shall apply. Distressed or defaulted issuers will not represent more than 10% of the net assets of the Compartment.
  - Structured products up to 20% of the net assets of the Compartment, such as but not limited to credit linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, an index selected in accordance with article 9 of the Grand-Ducal

- Regulation (including indexes on volatility, commodities, precious metals, etc.), currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI at all times in compliance with the Grand-Ducal Regulation. Those investments may not be used to elude the investment policy of the Compartment. However, in case of opportunities, the Compartment may invest in structured products without embedded derivatives giving exposure to commodity, precious metals or UCITS eligible alternative strategy funds in accordance with Article 41 of the 2010 Law.
  - Total exposure to alternative strategies (commodity, precious metals or UCITS eligible alternative strategy funds), in which the Compartment will only invest indirectly, will not exceed 15% of the net assets of the Compartment.
- 6.7 Within the limits set out in Section 22 in the main part of the Prospectus, the investment policy can be implemented indirectly via investments in other UCITS and/or UCIs, among others, in regulated UCIs and/or UCITS eligible alternative strategy funds. Total investment in funds will represent less than 40 % of the net assets of the Compartment.
- 6.8 On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as transferable securities other than those mentioned above, cash and cash equivalents.
- 6.9 The choice of investments will neither be limited by geographical area (including emerging markets), nor by economic sector, nor currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or asset type and/or in a single currency and/or in a single economic sector.
- 6.10 For hedging and any other purposes, within the limits set out in the investment restrictions in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or OTC, provided they are contracted with leading financial institutions specialised in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instrument, such as but not limited to, warrants, futures, options, swaps (such as credit default swaps) and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Compartment, including, but not limited to, currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including, but not limited to, financial indexes, commodities or volatility indices) and UCIs.
- 6.11 The Compartment's global risk exposure is monitored by using the commitment approach. The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.
- 6.12 The Compartment's potential investments in Russia, including those which are listed on the MICEX-RTS (which are recognised as regulated markets) and those that are made in other assets as referred in the main part of the Prospectus shall not exceed 10% of the net assets of the Compartment.
- 6.13 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also hold, on a temporary basis and for defensive purposes, up to 100% of its net assets in cash, cash deposits, money market funds and money market instruments.

### **Risk considerations specific to the Compartment**

- 6.14 The Compartment is subject to risks linked to equity markets, interest rates or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.
- 6.15 The attention of prospective investors is drawn to the fact that the use of financial derivative instruments with the aim of increasing results may entail certain risks, which may in turn have a negative impact on the overall performance of the Compartment.
- 6.16 In times of increased volatility in the market, the portfolio may be subject to a high rotation, with the consequent increase in transaction fees.
- 6.17 Investors should refer to Section 15 “Risk considerations” in the main body of the Prospectus for further details in this connection and in particular to Sections 15.24 to 15.31 in relation to risks regarding investments in Contingent Convertible Bonds and Distressed Securities.
- 6.18 Investors should be aware that, due to the political and economic situation in emerging countries, investment in this Compartment presents greater risk and is intended only for investors who are able to bear and assume this increased risk.
- 6.19 Investments in specific countries may mean that diversification in country and economic area terms is slight. The performance can also differ significantly from the general trend of the global equity markets.

### **Global risk exposure**

- 6.20 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments, which may not exceed the value of the Compartment’s net assets.

### **Performance**

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

### **Income distribution Policy**

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

### **Categories of Shares**

- 6.23 "M" – denominated in EUR, reserved for investors having entered into a mandate agreement with the Investment Adviser, with a minimum subscription and holding amount of one Share.

- 6.24 "R" – denominated in EUR, reserved for retail investors which have not entered into a mandate agreement with the Investment Adviser, with a minimum subscription and holding amount of one Share.

**Reference Currency**

- 6.25 The Reference Currency is the EUR.

**Management of the Compartment**

- 6.26 The Fund and the Management Company have appointed Michel & Cortesi Asset Management AG, whose registered office is at Breitingenstrasse 35, CH – 8002 Zurich, Switzerland, as Investment Manager to manage the investments of the Compartment, under the terms of the Investment Management Agreement with effect as of 25 April 2016.
- 6.27 The Fund and the Investment Manager have appointed Arfina Capital S.A., Nüscherstrasse 31, CH-8001 Zurich, Switzerland, as Investment Adviser of the Compartment under the terms of an Investment Advisory Agreement with effect as of 25 April 2016.

**Frequency of calculation of NAV**

- 6.28 The net asset value of the Compartment will be calculated each Tuesday (the "Calculation Day"), on the basis of the pricing of the preceding day (the "Valuation Day"). In the event that a Tuesday is not a Business Day, the net asset value of the Compartment will be calculated the immediately following Business Day.

**Subscription procedure**

- 6.29 By derogation to the Section 5 "Subscriptions" of the main body of the prospectus, the cut-off time for the receipt of subscriptions by the Fund is 12.00 hours noon CET on the Business Day preceding the Valuation Day. Furthermore, the amount for the subscription shall be paid or transferred, in the reference currency of the relevant category of Shares of the Compartment, into the account of the Custodian within two (2) business days of the relevant Valuation Day.

**Redemption procedure**

- 6.30 By derogation to the Section 8 "Redemptions" of the main body of the prospectus, the cut-off time for the receipt of redemptions by the Fund is 12.00 hours noon CET on the Business Day preceding the Valuation Day. The price for the Shares presented for redemption shall be paid by transfer in the reference currency of the relevant category of Shares of the Compartment within two (2) business days of the relevant Valuation Day.

**Conversion**

- 6.31 Subject to the eligibility criteria for each category of Shares, Shareholders may request the conversion of all or part of their Shares into another category of Shares within the Compartment without additional costs. Conversions into Shares of another Compartment are subject to section 9 of the main part of the Prospectus.

Cut-off	Subscription: 12 p.m. (noon) Luxembourg time, 1 Business Day before the Valuation Day.  Redemption: 12 p.m. (noon) Luxembourg time, 1 Business Day before the Valuation Day.
Valuation Day (pricing day)	The Business Day preceding the Calculation Day.
Calculation Day	Weekly, on each Tuesday. In the event that a Tuesday is not a Business Day, the Net Asset Value of the Compartment will be calculated on the immediate following Business Day.
Settlement Day	Subscription: within two Business Days after the relevant Valuation Day.  Redemption: within two Business Days after the relevant Valuation Day.

**Management and advisory fee specific to this Compartment**

- 6.32 For the services to be rendered under the Investment Management Agreement and the Investment Advisory Agreement, the Fund will pay to the Investment Manager and the Investment Adviser a management and advisory fee as described as follows:

*Management fee*

M*	0.40% p.a.
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*Management and Advisory Fee*

R	1.40% p.a.
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\*see restrictions under 6.23

- 6.33 The management and advisory fee will be calculated, on a quarterly basis, in arrear, on the average net assets of the relevant category of Shares of the Compartment.
- 6.34 The allocation of the management and advisory fee between the Investment Manager and the Investment Adviser will be determined in writing between the Investment Manager and the Investment Adviser from time to time and as set out in the Investment Advisory Agreement.

## 7. PROTEA FUND – CROV

### **Investors' profile**

- 7.1 The compartment Protea Fund – CROV (the “Compartment”) is a medium risk vehicle aiming at providing capital growth. It may be suitable for investors who are seeking moderate capital growth over a medium to long term and who are able to tolerate moderate price fluctuation.
- 7.2 The Compartment requires an investment horizon of at least 4 years.

### **Investment objective**

- 7.3 The objective of this Compartment is to achieve capital appreciation over the medium to long-term by investing its assets across all the asset classes based on a macro analysis.

### **Investment policy**

- 7.4 The Compartment intends to invest mainly in (1) all kinds of securities, with fixed or variable income, including, but not limited to, equity, bonds (including but not limited to zero-coupon, indexed or convertible bonds), commodity related products (considered as eligible assets under the investment restrictions), (2) all kind of financial derivative instruments as described below (3) Money Market Instruments, and (4) structured products (as described below) linked to the performance of the above mentioned securities.
- 7.5 There is no limitation or restriction on with respect to the asset allocation or sectorial and geographical exposure (including emerging markets), subject to the limits set out in Section 22 “Investment Restrictions” in the main body of the Prospectus.
- 7.6 The Compartment may invest a maximum of 25% of its net assets in equity.
- 7.7 Depending on financial market conditions, a particular focus can be placed in a limited asset classes, a limited type of securities, a single country, a small number of countries, or a particular geographic region.
- 7.8 Within the limits set out in Section 22 in the main body of the Prospectus, the investment policy can be achieved indirectly via investments in other UCITS and/or UCIs.
- 7.9 Within the limits of Section 22.3 set out in the investment restrictions in the main body of the Prospectus, the Compartment may invest, among others, in the following regulated UCIs: alternative funds and/or hedge funds and/or funds of hedge funds or other funds of funds.
- 7.10 For hedging and for any other purposes, within the limits set out in Section 22 in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC, provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (such as, total return swaps, contracts for difference or credit default swaps) and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, Transferable Securities, basket of Transferable Securities, indexes (including but not limited to commodities, precious metals or volatility indexes), and UCIs.

- 7.11 The Compartment may also invest in structured products, such as but not limited to credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the Grand-Ducal Regulation (including indexes on volatility, commodities, precious metals, etc.), currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI investment at all times in compliance with the Grand-Ducal Regulation. Investments in asset-backed securities and mortgage-backed securities can be made up to 20% of the net assets of the Compartment. In compliance with the Grand-Ducal Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.
- 7.12 The Compartment's investments in Russia, other than those which are listed on the Moscow Interbank Currency Exchange (MICEX) and on the Russian Trading System (RTS) (which are recognised as Regulated Markets), combined with investments that are made in other assets as referred in Section 22.3(i) in the main body of the Prospectus shall not exceed 10% of the net assets of the Compartment.
- 7.13 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also hold, on a temporary basis, up to 100% of its net assets, in liquidities such as among others cash deposits, money market funds and Money Market Instruments.

#### **Risk considerations specific to the Compartment**

- 7.14 The Compartment is subject to risks linked to equity markets, interest rates or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.
- 7.15 The attention of prospective investors is drawn to the fact that the use of financial derivative instruments with the aim of increasing results may entail certain risks, which may in turn have a negative impact on the overall performance of the Compartment.
- 7.16 Due to the increasing volatility of the market, the portfolio may be subject to a high rotation, with the consequent increase in transaction fees.
- 7.17 Investors should refer to Section 15 "Risk considerations" in the main body of the Prospectus for further details in this connection.
- 7.18 Investors should be aware that, due to the political and economic situations in emerging countries, investment in this Compartment presents greater risk and is intended only for investors who are able to bear and assume this increased risk.
- 7.19 Investments in specific countries may mean that diversification in country and economic area terms is slight. The performance can also differ significantly from the general trend of the global equity markets.



### **Global risk Exposure**

- 7.20 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments, which may not exceed the value of the Compartment's net assets.

### **Performance**

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

### **Income distribution Policy**

- 7.22 This Compartment pursues an income distribution policy. Any dividend will be paid after the annual General Meeting, at the latest within 6 months after the close of the Business Year. However, the Directors reserve their right to revise this policy at their discretion.

### **Reference Currency**

- 7.23 The Reference Currency is the EUR.

### **Management of the Compartment**

- 7.24 The Management Company has appointed LGT Bank (Switzerland) A.G., whose registered office is at Glärnischstrasse 34. P.O, Box, CH – 8022 Zurich, Switzerland, as Investment Manager to manage the investments of the Compartment under the terms of the Investment Management Agreement dated on 28 March 2014.

### **Frequency of calculation of NAV**

- 7.25 The net asset value of the Compartment shall be calculated (i) on the first Business Day of each month as well as (ii) on the fifteenth calendar day of each month and if such day is not a Business Day, on the immediately following Business Day (each a Valuation Day).

### **Management fee specific to this Compartment**

- 7.26 Management fee: Maximum 1% per annum, payable quarterly and calculated on assets of the Compartment.

### **Initial Subscription Date**

- 7.27 On 21 December 2009, with payment date on 28 December 2009 at the Initial Subscription Price of EUR100 per Share.

## 8. PROTEA FUND – BAM US EQUITIES

### Investors' profile

- 8.1 The compartment Protea Fund – BAM US Equities (the “Compartment”) is a medium/high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in equities and are more concerned with maximising long term returns than minimising possible short term losses. Hence it requires an investment horizon of at least 3 years.

### Objectives and investment policy

- 8.2 The Compartment's objective is to deliver superior performance in relative term over the medium to long term horizon. There can be no assurance that the investment objective will be achieved.
- 8.3 To achieve this, the Compartment will mainly invest in a select portfolio of equities and equity related securities (such as rights, REITS, global depositary receipts) of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in the United States of America.
- 8.4 Except the geographical focus, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 8.5 On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as debt securities, Money Market Instruments, structured products (as described below), UCIs or cash.
- 8.6 However:
- (a) The Compartment's investments in units or shares of UCITS and/or other UCIs as referred to in Section 22.3(e) of the main body of the Prospectus, shall not exceed 10% of the net assets of the Compartment.
  - (b) Investments in debt securities, within the meaning of the EU Savings Directive, will be limited to 25% of the Compartment's net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Compartment will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.
  - (c) If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds (within the 10% limit above-mentioned) and Money Market Instruments.
- 8.7 Structured products used will be instruments, such as but not limited to notes, certificates or any other Transferable Securities whose returns are correlated with changes in equities, equity related securities or a basket of equities or equities securities, in line with the investment policy and at all times in compliance with the Grand-Ducal Regulation.

- 8.8 Those investments may not be used to elude the investment policy of the Compartment.
- 8.9 For hedging and for any other purposes, within the limits set out in Section 22 “Investment restrictions” in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision. However, the Investment Manager intends to use principally, for hedging purposes, options, futures and forward exchange contracts, having underlying in line with the investment policy. Those investments may not be used to elude the investment policy of the Compartment.
- 8.10 The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

**Risk considerations specific to the Compartment**

- 8.11 The Compartment is subject to specific risks linked to investments in equity securities denominated in various currencies, to market volatility linked to equity securities and to market volatility linked to the investment in derivative instruments. Please refer to the Section 15 headed “Risk considerations” in the main body of the Prospectus for further details in this connection.

**Global risk exposure**

- 8.12 The Compartment’s global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments (“FDIs”) which may not exceed the Compartment’s net asset value.

**Performance**

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

**Income Distribution Policy**

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

**Categories of Shares of the Compartment**

- 8.15
- (a) I Class of Shares: strictly dedicated to Institutional Investors;
  - (b) R Class of Shares: available to all type of investors.

### Reference Currency

- 8.16 The Reference Currency is the USD.

### Payment of the subscription price or redemption price

- 8.17 The amount for the subscription shall be paid or transferred as further set out in Section 5.7 of the main body of Prospectus within two Business Days counting from the relevant Valuation Day as set out below.
- 8.18 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the Reference Currency of the Compartment concerned within two Business Days following the date when the Net Asset Value applicable to the redemption was calculated.

### Investment management of the Compartment

- 8.19 In relation to investment opportunities for the Compartment, the Management Company has appointed Bruellan SA, whose registered office is at Rue Sigismond-Thallberg, CH-1201 Geneva, Switzerland, as Investment Manager under the terms of an Investment Management Agreement dated 31 December 2014.

### Frequency of calculation of NAV

- 8.20 The Net Asset Value is calculated on each Wednesday (which is the Valuation Day), based on pricing day as of Tuesday. In the event any such Wednesday is not a Business Day, the Net Asset Value is calculated on the immediately following Business Day.
- 8.21 For information purposes only, the NAV will be calculated as of the last calendar day of the month (the "Non Tradable NAV"). Subscriptions, redemptions and conversions cannot be accepted and dealt on a Non Tradable NAV.

### Management fee and performance fee specific to this Compartment

- 8.22 The Fund will pay to the Investment Manager a management fee and an annual performance fee as described as follows:

#### *Management fee*

Class I Share	max. 1.5% p.a.
Class R Share	max. 1.5% p.a.

- 8.23 The investment management fee will be calculated, on a monthly basis, in arrear, on the average net assets of the relevant category of Share of the Compartment.

#### *Performance fee*

- 8.24 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to 20% of the performance of the NAV per Share over the return of the relevant benchmark index, S&P 500 Total Return Index (SPXT), by applying the high water mark principle.

- 8.25 The high water mark is defined as the last reference outperformance index on which a performance fee has been paid (the “High Water Mark”).
- 8.26 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 8.27 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share underperforms the benchmark during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 8.28 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date.
- 8.29 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per Share against the benchmark index until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark adjusted by the benchmark performance at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 8.30 Calculation period shall correspond to each calendar year.
- 8.31 The formula for the calculation of the performance fee is as follows:

Performance fee	: $F = (RI(t) - C) * D * A$ If $RI(t) > C$
Reference Index (Outperformance index)	: $RI(t) = RI(y-1) + (P-M) * E$
High Water Mark (Based on outperformance index RI)	: C (set up annually)
The new High Water Mark	if $F > 0 \Rightarrow RI(y-1)$ if $F = 0 \Rightarrow C(Y-1)$
Number of shares outstanding	: A
NAV per share before performance fee (end of calculation period)	: B
% change of NAV over the calculation period	: $P = B/E - 1$
Benchmark performance over the calculation period	: M
Reference outperformance index of first calculation period)	: RI (=100 at the beginning

Performance fees rate : D=20%  
 Reference NAV (adjusted of previous performance fee)  
 at the beginning of the period : E

RI(y-1): Reference Index at the end of the precedent calculation period  
 C(Y-1): High Water Mark at the end of the precedent calculation period

- 8.32 This performance fee methodology enables the Shareholder to pay a performance fee to the Investment Manager only if:
- (a) the Compartment generates a performance higher than the benchmark; and
  - (b) the outperformance index is higher than the historical highest point (High Water Mark), meaning if the Compartment delivers a negative outperformance one quarter, it has to outperform at least by this negative outperformance before charging a performance fee.
- 8.33 For the first year, the calculation period will run as from the launching date of the Compartment to the 31 December 2015.

## 9. PROTEA FUND – BAM ASIA-PACIFIC EQUITIES EX JAPAN

### Investors' profile

- 9.1 The Protea Fund – BAM Asia Pacific Equities Ex Japan (the “Compartment”) is a medium/high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investments in equities and are more concerned with maximising long term returns than minimising possible short term losses. Hence it requires an investment horizon of at least 3 years.

### Objectives and investment policy

- 9.2 The Compartment's objective is to deliver superior performance in relative term over the medium to long term horizon. There can be no assurance that the investment objective will be achieved.
- 9.3 To achieve this, the Compartment will mainly invest in a select portfolio of equities and equity related securities (such as rights) of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in any country of the Asia Pacific region (excluding Japan).
- 9.4 Except the geographical focus, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 9.5 As some countries of the Asia Pacific region can be considered as emerging countries, it is understood that the Compartment can be exposed to risk of emerging countries. Furthermore if Japan is not part of the main investments, the Compartment is not prohibited to invest in Japanese securities.
- 9.6 On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as debt securities, Money Market Instruments, structured products (as described below), UCIs or cash.
- 9.7 However:
- (a) The Compartment's investments in units or shares of UCITS and/or other UCIs as referred to in Section 22.3(e) of the main body of the Prospectus, shall not exceed 10% of the net assets of the Compartment.
  - (b) Investments in debt securities, within the meaning of the EU Savings Directive, will be limited to 25% of the Compartment's net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Compartment will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.
  - (c) If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds (within the 10% limit above-mentioned) and Money Market Instruments.

- 9.8 Structured products used will be instruments, such as but not limited to notes, certificates or any other Transferable Securities whose returns are correlated with changes in equities, equity related securities or a basket of equities or equities securities, in line with the investment policy and at all times in compliance with the Grand-Ducal Regulation.
- 9.9 Those investments may not be used to elude the investment policy of the Compartment.
- 9.10 For hedging and for any other purposes, within the limits set out in the investment restrictions in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision. However, the Investment Manager intends to use principally, for hedging purposes, options, futures and forward exchange contracts, having underlying in line with the investment policy. Those investments may not be used to elude the investment policy of the Compartment.

#### **Risk considerations specific to the Compartment**

- 9.11 The Compartment is subject to specific risks linked to investments in equity securities denominated in various currencies, to market volatility linked to equity securities and to investments in derivative instruments. To the extent the Compartment may invest in securities of emerging markets, it may further be subject to risks related to such type of investments. Please refer to the Section 15 headed “Risk considerations” above for further details in this connection.

#### **Global risk exposure**

- 9.12 The Compartment’s global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on FDIs which may not exceed the Compartment’s net asset value.

#### **Performance**

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

#### **Income distribution policy**

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

#### **Class of shares**

- 9.15 I Class of Shares: strictly dedicated to Institutional Investors
- 9.16 R Class of Shares: available to all type of investors



### Reference currency

- 9.17 The Reference Currency is the USD.

### Payment of the subscription price or redemption price

- 9.18 The amount for the subscription shall be paid or transferred as further set out in Section 5.7 of the main body of Prospectus within two Business Days counting from the relevant Valuation Day as set out below.
- 9.19 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the Reference Currency of the Compartment concerned within two Business Days following the date when the Net Asset Value applicable to the redemption was calculated.

### Management of the Compartment

- 9.20 In relation to investment opportunities for the Compartment, the Management Company has appointed Bruellan SA, whose registered office is at Rue Sigismond-Thallberg, CH-1201 Geneva, Switzerland, as Investment Manager under the terms of an Investment Management Agreement dated 31 December 2014.

### Frequency of calculation of NAV

- 9.21 The Net Asset Value is calculated on each Wednesday (which is the Valuation Day), based on pricing day as of Tuesday. In the event any such Wednesday is not a Business Day, the Net Asset Value is calculated on the immediately following Business Day.
- 9.22 For information purposes only, the NAV will be calculated as of the last calendar day of the month (the "Non Tradable NAV"). Subscriptions, redemptions and conversions cannot be accepted and dealt on a Non Tradable NAV.

### Management fee and performance fee specific to this Compartment

- 9.23 The Fund will pay to the Investment Manager a management fee and an annual performance fee as described as follows:

#### *Management fee*

Class I Shares	max. 1.5% p.a.
Class R Shares	max. 1.5% p.a.

#### *Performance fee*

- 9.24 The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the Net Asset Value, equivalent to 20 % of the performance of the NAV per Share over the return of the relevant benchmark index, MSCI TR NetAC Asia Pacific Ex Japan USD (NDUECAPF Index) by applying the High Water Mark principle.
- 9.25 The high water mark is defined as the last Reference outperformance index, on which a performance fee has been paid (the "High Water Mark").

- 9.26 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 9.27 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share underperforms the benchmark during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 9.28 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date.
- 9.29 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per Share against the benchmark index until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark adjusted by the benchmark performance at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 9.30 Calculation period shall correspond to each calendar year.
- 9.31 The formula for the calculation of the performance fee is as follows:

Performance fee	: $F = (RI(t) - C) * D * A$ If $RI(t) > C$
Reference index (outperformance index)	: $RI(t) = RI(y-1) + (P-M) * E$
High Water Mark (based on outperformance index RI)	: C (set up annually)
The new High Water Mark	if $F > 0 \Rightarrow RI(y-1)$ if $F = 0 \Rightarrow C(Y-1)$
Number of Shares outstanding	: A
NAV per Share before performance fee (end of calculation period)	: B
% change of NAV over the calculation period	: $P = B/E - 1$
Benchmark performance over the calculation period	: M
Reference outperformance index	: RI (=100 at the beginning of first calculation period)
Performance fees rate	: D=20%

Reference NAV (adjusted of previous performance fee)  
at the beginning of the period : E

RI(y-1): Reference Index at the end of the precedent calculation period  
C(Y-1): High Water Mark at the end of the precedent calculation period

- 9.32 This performance fee methodology enables the Shareholder to pay a performance fee to the Investment Manager only if:
- (a) the Compartment generates a performance higher than the benchmark; and
  - (b) the outperformance index is higher than the historical highest point (High Water Mark), meaning if the Compartment delivers a negative outperformance one quarter, it has to outperform at least by this negative outperformance before charging a performance fee.
- 9.33 For the first year, the calculation period will run as from the launching date of the Compartment to the 31 December 2015.

## 10. PROTEA FUND – BAM EUROPEAN EQUITIES

### **Investors' profile**

- 10.1 The compartment Protea Fund – BAM European Equities (the “Compartment”) is a medium/high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in equities and are more concerned with maximising long term returns than minimising possible short term losses. Hence it requires an investment horizon of at least 3 years.

### **Objectives and investment policy**

- 10.2 The Compartment's objective is to deliver superior performance in relative term over the medium to long term horizon.
- 10.3 There can be no assurance that the investment objective will be achieved.
- 10.4 To achieve this, the Compartment will mainly invest in a select portfolio of equities of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in Europe.
- 10.5 Except the geographical focus, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 10.6 On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as debt securities, Money Market Instruments, structured products (as described below), UCIs or cash.
- 10.7 However:
- (a) The Compartment's investments in units or shares of UCITS and/or other UCIs as referred to in Section 22.3(e) of the main body of the Prospectus, shall not exceed 10% of the net assets of the Compartment.
  - (b) Investments in debt securities, within the meaning of the EU Savings Directive, will be limited to 25% of the Compartment's net assets. It is therefore presently expected that capital gains realised by shareholders on the disposal of Shares in the Compartment will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.
  - (c) If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds (within the 10% limit above-mentioned) and Money Market Instruments.
- 10.8 Structured products used will be instruments, such as but not limited to notes, certificates or any other Transferable Securities whose returns are correlated with changes in equities, equity related securities or a basket of equities or equities securities, in line with the investment policy and at all times in compliance with the Grand-Ducal Regulation.

- 10.9 Those investments may not be used to elude the investment policy of the Compartment.
- 10.10 For hedging and for any other purposes, within the limits set out in Section 22 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision. However, the Investment Manager intends to use principally, for hedging purposes, options, futures and forward exchange contracts, having underlying in line with the investment policy. Those investments may not be used to elude the investment policy of the Compartment.
- 10.11 The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

**Risk considerations specific to the Compartment**

- 10.12 The Compartment is subject to specific risks linked to investments in equity securities denominated in various currencies, to market volatility linked to equity securities and to investments in derivative instruments. Please refer to the Section 15 headed "Risk considerations" in the main body of the Prospectus for further details in this connection.

**Global risk exposure**

- 10.13 The Compartment's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on FDIs which may not exceed the Compartment's net asset value.

**Performance**

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

**Income Distribution Policy**

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

**Categories of Shares**

- 10.16 I Class of Shares: strictly dedicated to Institutional Investors;
- 10.17 R Class of Shares: available to all type of investors

**Reference Currency**

- 10.18 The Reference Currency is the EUR.

### **Payment of the subscription price or redemption price**

- 10.19 The amount for the subscription shall be paid or transferred as further set out in Section 5.7 of the main body of Prospectus within two Business Days counting from the relevant Valuation Day as set out below.
- 10.20 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the Reference Currency of the Compartment concerned within two Business Days following the date when the Net Asset Value applicable to the redemption was calculated.

### **Management of the Compartment**

- 10.21 In relation to investment opportunities for the Compartment, the Management Company has appointed Bruellan SA, whose registered office is at Rue Sigismond-Thallberg, CH-1201 Geneva, Switzerland, as Investment Manager under the terms of an Investment Management Agreement dated 31 December 2014.

### **Frequency of calculation of NAV**

- 10.22 The Net Asset Value is calculated on each Wednesday (which is the Valuation Day), based on pricing day as of Tuesday. In the event any such Wednesday is not a Business Day, the Net Asset Value on the immediately following Business Day.
- 10.23 For information purposes only, the NAV will be calculated as of the last calendar day of the month (the "Non Tradable NAV"). Subscriptions, redemptions and conversions cannot be accepted and dealt on a Non Tradable NAV.

### **Management fee and performance fee specific to this Compartment**

- 10.24 The Fund will pay to the Investment Manager a management fee and an annual performance fee as described as follows:

#### *Management fee*

Class I Share	max. 1.5% p.a.
Class R Share	max. 1.5% p.a.

#### *Performance fee*

- 10.25 The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the Net Asset Value, equivalent to 20 % of the performance of the NAV per Share over the return of the relevant benchmark index, Stoxx 600 Total Return Index EUR (SXXR Index) by applying the high water mark principle.
- 10.26 The high water mark is defined as the last reference outperformance index on which a performance fee has been paid (the "High Water Mark").
- 10.27 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

- 10.28 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share underperforms the benchmark during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 10.29 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date.
- 10.30 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per Share against the benchmark index until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark adjusted by the benchmark performance at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 10.31 Calculation period shall correspond to each calendar year.
- 10.32 The formula for the calculation of the performance fee is as follows:

Performance fee	: $F = (RI(t) - C) * D * A$ If $RI(t) > C$
Reference index (outperformance index)	: $RI(t) = RI(y-1) + (P-M) * E$
High Water Mark (based on outperformance index RI)	: C (set up annually)
The new High Water Mark	if $F > 0 \Rightarrow RI(y-1)$ if $F = 0 \Rightarrow C(Y-1)$
Number of Shares outstanding	: A
NAV per Share before performance fee (end of calculation period)	: B
% change of NAV over the calculation period	: $P = B/E - 1$
Benchmark performance over the calculation period	: M
Reference outperformance index	: RI (=100 at the beginning of first calculation period)
Performance fees rate	: D=20%
Reference NAV (adjusted of previous performance fee) at the beginning of the period	: E

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RI(y-1): Reference Index at the end of the precedent calculation period

C(Y-1): High Water Mark at the end of the precedent calculation period

- 10.33 This performance fee methodology enables the Shareholder to pay a performance fee to the Investment Manager only if:
- (a) the Compartment generates a performance higher than the benchmark; and
  - (b) the outperformance index is higher than the historical highest point (High Water Mark), meaning if the Compartment delivers a negative outperformance one quarter, it has to outperform at least by this negative outperformance before charging a performance fee.
- 10.34 For the first year, the calculation period will run as from the launching date of the Compartment to the 31 December 2015.



## 11. PROTEA FUND – MONOGRAM

### **Investors' profile**

- 11.1 The compartment Protea Fund – Monogram (the "Compartment") is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking capital appreciation. Hence it requires an investment horizon of at least 3 years.

### **Objectives and investment policy**

- 11.2 The Compartment's objective is to principally offer an exposure to the following asset classes: debt securities (including Money Market Instruments), equities and equity related securities, currencies, cash. There can be no assurance that the investment objective will be achieved.
- 11.3 The "debt security" asset class will be achieved via a main exposure to investment grade debt securities.
- 11.4 The Investment Manager intends to maintain maximum flexibility in its trading and investment strategy in order to take advantage of buying or selling opportunities.
- 11.5 Accordingly, the Investment Manager has no self-imposed restrictions relating to its trading and investment strategies, although under normal market conditions the Investment Manager aims to maintain a diversified portfolio of assets.
- 11.6 In order to achieve its objective, the Compartment will mainly invest:
- (a) directly in the securities/asset classes above-mentioned; and/or
  - (b) in UCI having as main objective to invest or grant an exposure to the above-mentioned asset classes.
- 11.7 The choice of investments will neither be limited by geographical area (including emerging markets), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 11.8 Furthermore, the exposure to each of the above-mentioned asset classes can change from time to time as return expectations shift; it is understood that the Compartment may invest up to 100% of its assets in any one of the asset classes.
- 11.9 The Compartment's investments in Russia, other than those which are listed on the MICEX - RTS and any Other Regulated Markets in Russia, combined with investments that are made in other assets as referred Section 22.3(i) in the main body of the Prospectus, shall not exceed 10% of the net assets of the Compartment.
- 11.10 On an ancillary basis, the Compartment may invest in structured products, such as but not limited to notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the Grand-Ducal Regulation, currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI, at all times in compliance with the Grand-Ducal Regulation.

- 11.11 In compliance with the Grand-Ducal Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.
- 11.12 For hedging and for any other purposes, within the limits set out in Section 22 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision. However, in normal market conditions, the Investment Manager intends to use only futures, options and forward exchange contracts.

#### **Risk considerations specific to the Compartment**

- 11.13 The Compartment is subject to the specific risks linked to investments in equity securities and UCIs as well as to interest rates risks linked to investment in debt securities and market volatility linked to the investment in derivative instruments. To the extent the Compartment may invest in securities of emerging markets, it may further be subject to risks related to such type of investments. Please refer to the Section 15 headed "Risk considerations" above for further details in this connection.

#### **Global risk exposure**

- 11.14 The Compartment's global risk exposure is monitored by using the VaR approach which aims to estimate the maximum potential loss that the Compartment could suffer within a certain time horizon (one month) and with a certain confidence level (99% confidence interval), in normal market conditions. More specifically, the Compartment uses the absolute VaR option, whereby the Compartment's VaR is limited to 20%.
- 11.15 In addition, stress tests will be carried out in order to manage additional risks related to possible abnormal market movements at a specific point of time.
- 11.16 The expected level of leverage of this Compartment is 200% (gross commitment). This figure is computed as the sum of the absolute notionals of the FDI, whereby a large part of these FDIs are used for hedging purposes. Depending on market conditions, higher leverage levels may be used to increase the hedging component of the Compartment and/or generate a higher market exposure.

#### **Performance**

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

#### **Income distribution Policy**

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

### **Categories of Shares**

11.19

- (a) I Shares Class, strictly dedicated to Institutional Investors;
- (b) R Shares Class, for all types of investors.

### **Sub-classes of Shares**

11.20

- (a) USD Sub-Class Shares, expressed in USD;
- (b) GBP Sub-Class Shares, expressed in GBP;
- (c) EUR Sub-Class Shares, expressed in EUR.

### **Reference Currency**

11.21 The Reference Currency is the USD.

11.22 For reporting purposes, the assets of the Compartment are consolidated in USD. However, sub-classes of shares in this Compartment are also offered in GBP ("GBP Sub-Class Shares") or in EUR ("EUR Sub-Class Shares").

11.23 The GBP Sub-Class Shares and the EUR Sub-Class Shares (the "Hedged Shares") aim to hedge to a large extent the exchange risk GBP/USD and EUR/USD.

### **Management of the Compartment**

11.24 In relation to investment opportunities for the Compartment, the Management Company has appointed Monogram Capital Management LLP, whose registered office is at 3, Lloyd's Avenue, London EC3N 3DS, United Kingdom, as Investment Manager under the terms of an Investment Management Agreement dated 1 December 2014.

### **Frequency of calculation of NAV**

11.25 The Net Asset Value is calculated on each Wednesday (which is a Valuation Day). In the event any Wednesday is not a Business Day, the NAV will be calculated on the immediately following Business Day.

11.26 For information purpose only, the NAV will be calculated as of the last calendar of the month (the "Non Tradable NAV"). Subscriptions, redemptions and conversions cannot be accepted and dealt on a Non Tradable NAV.

### **Management fee specific to this Compartment**

11.27 Management fee: 1% p.a.

**Performance fee**

- 11.28 The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the Net Asset Value, equivalent to 10 % of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter).
- 11.29 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 11.30 The performance fee is equal to the out performance of the NAV per share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark for the calculation period in question.
- 11.31 The high water mark is defined as the greater of the following two figures:
- (a) the last highest Net Asset Value per Share on which a performance fee has been paid; and
  - (b) the initial NAV per Share,
- hereinafter referred to as the “High Water Mark”.
- 11.32 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 11.33 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.
- 11.34 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 11.35 Calculation period shall correspond to each calendar year.
- 11.36 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.
- 11.37 The formula for the calculation of the performance fee is as follows:

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F	=	0
		If $(B / E - 1) \leq 0$
F	=	$(B / E - 1) * E * C * A$
		If $(B / E - 1) > 0$
The new High Water Mark	=	if $F > 0$ ; D
If $F=0$ ; E		
Number of Shares outstanding	=	A
NAV per Share before performance	=	B
Performance fee rate (10%)	=	C
NAV per Share after performance	=	D
High Water Mark	=	E
Performance fees	=	F

- 11.38 For the first year, the calculation period will run as from the launching date of the Compartment to the 31 December 2015.

### Initial Subscription Period

- 11.39 27 January 2015, with payment date on 28 January 2015 at the Initial Subscription Price of USD10,000, GBP10,000 or EUR10,000 per Share (in respect of the relevant sub-class of Shares of the Compartment).
- 11.40 The minimum amount of subscription during the initial subscription period will be USD100,000 for the USD Sub-Class Shares, GBP 100,000 for the GBP Sub-Class Shares and EUR100,000 for the EUR Sub-Class Shares.
- 11.41 Following the initial subscription period there will be no minimum subscription amount.

## 12. PROTEA FUND – ORCHARD US EQUITIES

### **Investors' profile**

- 12.1 The Protea Fund – Orchard US Equities (the “Compartment”) is a medium/high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in U.S. equities with an investment horizon of at least 3 years.

### **Objectives and investment policy**

- 12.2 The Compartment’s objective is to provide capital growth primarily through investments in equity. To achieve this, the Compartment will have an exposure to a select portfolio of equity and equity related securities (among others subscription rights, REITS, convertible bonds, reverse convertibles bonds, etc.) of companies which are domiciled, headquartered or exercise their main activity in the United States of America.
- 12.3 This exposure will be obtained mainly by investing directly in the securities/asset classes mentioned above.
- 12.4 However the Compartment may also invest in other eligible assets such as:
- (a) other equities;
  - (b) debt securities, interest bearing instruments, Money Market Instruments, liquidities;
  - (c) structured products, convertible bonds (as described below);
  - (d) UCIs (within the 10% limit below);
  - (e) financial derivatives (as described below).
- 12.5 Except the focus on the U.S.A., the choice of investments will not be limited geographically, nor by economic sector, nor by issuer rating, nor in terms of currencies in which investments will be denominated. In case of opportunities, the Compartment may invest up to 15% in emerging countries.
- 12.6 Non-investment grade securities as measured by any leading credit agencies or with quality considered as equivalent by the Investment Manager will be limited to 20% of the net assets. In case of discrepancies of ratings, the higher score will apply.
- 12.7 The Compartment may invest up to 10% in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, equities or a basket of equities, transferable securities, indices, currency at all times in compliance with the Grand-Ducal Regulation. Those investments may not be used to elude the investment policy of the Compartment.
- 12.8 For hedging and for any other purposes, within the limits set out in the investment restrictions in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory

supervision. However, the Investment Manager intends to use principally options, futures and forward exchange contracts on currencies (including non-delivery forwards), interest rates, Transferable Securities, basket of Transferable Securities, indices (including volatility indices) and UCIs.

- 12.9 The Compartment does not intend to use total return swaps, credit default swaps, contract for difference.
- 12.10 Total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.
- 12.11 The Compartment may not invest more than 10% in UCITS or other UCIs.
- 12.12 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may, for defensive purposes hold up to 100% in cash and equivalents, cash deposits, money market funds and Money Market Instruments.

**Risk considerations specific to the Compartment**

- 12.13 The Compartment is subject to the specific risks linked to investments in equity securities and UCIs as well as to interest rates risks linked to investment in debt securities and market volatility linked to the investment in derivative instruments.
- 12.14 Please refer to the section 15 headed "Risk considerations" above for further details in this connection.

**Global risk exposure**

- 12.15 The Compartment's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on FDIs which may not exceed the Compartment's net asset value.

**Performance**

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

**Income distribution policy**

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

**Categories of Shares**

12.18

- (a) I Class of Shares: strictly dedicated to Institutional Investors;

- (b) R Class of Shares: available to all type of investors;
- (c) M Class of Shares: strictly dedicated to investors selected by the Investment Manager.

**Reference Currency**

- 12.19 The Reference Currency is the USD.

The “CHF” Sub-Class of Shares and the “EUR” Sub-Class of Shares (the “Hedged Sub-Class Shares”) aim to hedge to a large extent the exchange risk CHF/USD and EUR/USD.

**Investment Management of the Compartment**

- 12.20 In relation to investment opportunities for the Compartment, the Management Company has appointed Hyposwiss Private Bank Genève SA, whose registered office is at Rue du Général-Dufour 3, CH-1211 Geneva 11, Switzerland, as Investment Manager under the terms of an Investment Management Agreement dated 30 December 2014.

**Frequency of calculation of NAV**

- 12.21 The Net Asset Value is calculated on each Wednesday (which is the Valuation Day), based on pricing day as of Tuesday. In the event any such Wednesday is not a Business Day, the Net Asset Value will be calculated on the immediately following Business Day.

**Management fee and performance fee specific to this Compartment**

- 12.22 The Fund will pay to the Investment Manager a management fee and an annual performance fee as described as follows:

*Management fee:*

- 12.23 Investment management fee: max.: 1.5% p.a.

The investment management fee will be calculated, on a quarterly basis, in arrear, on the average net assets of the relevant shares Class.

*Performance fee*

- 12.24 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value (NAV), equivalent to 10 % of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter).

- 12.25 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

- 12.26 The performance fee is equal to the out performance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark for the calculation period in question.

- 12.27 The high water mark is defined as the greater of the following two figures:



(a) the last highest Net Asset Value per Share on which a performance fee has been paid;  
and

(b) The initial NAV per Share,

hereafter referred to as the "High Water Mark"

12.28 The High Water Mark will be decreased by the dividends paid to shareholders.

12.29 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

12.30 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.

12.31 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

12.32 Calculation period shall correspond to each calendar year.

12.33 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.

12.34 For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2015.

12.35 The formula for the calculation of the performance fee is as follows:

$$\begin{aligned}
 F &= 0 \\
 &\quad \text{If } (B / E - 1) \leq 0 \\
 F &= (B / E - 1) * E * C * A \\
 &\quad \text{If } (B / E - 1) > 0 \\
 \text{The new High Water Mark} &= \text{if } F > 0; D \\
 &\quad \text{If } F = 0; E \\
 \text{Number of Shares outstanding} &= A \\
 \text{NAV per Share before performance} &= B
 \end{aligned}$$

**PROTEA FUND**

Performance fee rate (10%)	= C
NAV per Share after performance	= D
High Water Mark	= E
Performance fees	= F

### 13. PROTEA FUND – ORCHARD EUROPE EQUITIES

#### **Investors' profile**

- 13.1 The compartment Protea Fund – Orchard Europe Equities (the “Compartment”) is a medium/high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in European equities with an investment horizon of at least 3 years.

#### **Objectives and investment policy**

- 13.2 The Compartment's objective is to provide capital growth primarily through investment in equity. To achieve this, the Compartment will have an exposure to a select portfolio of equity and equity related securities (among others subscription rights, convertibles bonds, reverse convertibles bonds, etc.) of companies which are domiciled, headquartered or exercise their main activity in Europe (including UK, East European countries, Russia).
- 13.3 This exposure will be obtained mainly by investing directly in the securities/asset classes mentioned above.
- 13.4 However the Compartment may also invests in other eligible assets such as:
- (a) other equities,
  - (b) debt securities, interest bearing instruments, Money Market Instruments, liquidities,
  - (c) structured products, convertible bonds ( as described below)
  - (d) UCIs (within the 10% limit below);
  - (e) financial derivatives (as described below).
- 13.5 Except the focus on Europe, the choice of investments will not be limited geographically, nor by economic sector, nor by issuer rating, nor in terms of currencies in which investments will be denominated. In case of opportunities, the Compartment may invest up to 15% in emerging countries
- 13.6 Non-investment grade securities as measured by any leading credit agencies or with quality considered as equivalent by the Investment Manager will be limited to 20% of the net assets. In case of discrepancies of ratings, the higher score will apply.
- 13.7 The Compartment's investments in Russia, other than those which are listed on the MICEX - RTS and any Other Regulated Markets in Russia, combined with investments that are made in other assets as referred in Section 22.3(i) in the main body of the Prospectus, shall not exceed 10% of the net assets of the Compartment.
- 13.8 The Compartment may invest up to 10% in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, equities or a basket of equities, Transferable Securities, indices, currency at all times in compliance with the Grand-Ducal Regulation. Those investments may not be used to elude the investment policy of the Compartment.

- 13.9 For hedging and for any other purposes, within the limits set out in Section 22 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision. However, the Investment Manager intends to use principally options, futures and forward exchange contracts on currencies (including non-delivery forwards), interest rates, Transferable Securities, basket of Transferable Securities, indices (including volatility indices) and UCIs.
- 13.10 The Compartment does not intend to use total return swaps, credit default swaps, contract for difference.
- 13.11 Total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.
- 13.12 The Compartment may not invest more than 10% in UCITS or other UCIs.
- 13.13 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may, for defensive purposes hold up to 100% in cash and equivalents, cash deposits, money market funds and Money Market Instruments.

**Risk considerations specific to the Compartment**

- 13.14 The Compartment is subject to the specific risks linked to investments in equity securities and UCIs as well as to interest rates risks linked to investment in debt securities and market volatility linked to the investment in derivative instruments.
- 13.15 Please refer to the Section 15 headed "Risk considerations" above for further details in this connection.

**Global risk exposure**

- 13.16 The Compartment's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on FDIs which may not exceed the Compartment's Net Asset Value.

**Performance**

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

**Income Distribution Policy**

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

### **Category of Shares**

13.19

- (a) I Class of Shares: strictly dedicated to Institutional Investors
- (b) R Class of Shares: available to all type of investors.
- (c) M Class of Shares: strictly dedicated to investors selected by the Investment Manager

### **Reference currency**

13.20 The Reference Currency is the EUR.

The “CHF” Sub-Class of Shares and the “USD” Sub-Class of Shares (the “Hedged Sub-Class Shares”) aim to hedge to a large extent the exchange risk CHF/EUR and USD/EUR.

### **Investment Management of the Compartment**

13.21 In relation to investment opportunities for the Compartment, the Management Company has appointed Hyposwiss Private Bank Genève SA, whose registered office is at Rue du Général-Dufour 3, CH-1211 Geneva 11, Switzerland, as Investment Manager under the terms of an Investment Management Agreement dated 30 December 2014.

### **Frequency of calculation of NAV**

13.22 The Net Asset Value is calculated on each Wednesday (which is the Valuation Day), based on pricing day as of Tuesday. In the event any such Wednesday is not a Business Day, the Net Asset Value will be calculated on the immediately following Business Day.

### **Management fee and performance fee specific to this Compartment**

13.23 The Fund will pay to the Investment Manager a management fee and an annual performance fee as described as follows:

#### *Management fee*

Investment management fee: max.: 1.5% p.a.

The investment management fee will be calculated, on a quarterly basis, in arrear, on the average net assets of the relevant category of Shares.

#### *Performance fee*

13.24 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the net asset value, equivalent to 10% of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter).

13.25 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

- 13.26 The performance fee is equal to the out performance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark for the calculation period in question.
- 13.27 The high water mark is defined as the greater of the following two figures:
- (a) The last highest Net Asset Value per Share on which a performance fee has been paid and;
  - (b) The initial NAV per Share,
- hereafter referred to as the “High Water Mark”.
- 13.28 The High Water Mark will be decreased by the dividends paid to Shareholders.
- 13.29 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 13.30 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.
- 13.31 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 13.32 Calculation period shall correspond to each calendar year.
- 13.33 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.
- 13.34 For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2015.
- 13.35 The formula for the calculation of the performance fee is as follows:

$$F = \begin{cases} 0 & \text{If } (B / E - 1) \leq 0 \\ (B / E - 1) * E * C * A & \text{If } (B / E - 1) > 0 \end{cases}$$

**PROTEA FUND**

The new High Water Mark	=	if $F > 0$ ; D If $F = 0$ ; E
Number of Shares outstanding	=	A
NAV per Share before performance	=	B
Performance fee rate (10%)	=	C
NAV per Share after performance	=	D
High Water Mark	=	E
Performance fees	=	F

**14. PROTEA FUND – OCTOGONE BALANCED FUND**

**Investors' profile**

- 14.1 The Compartment Protea Fund – Octogone Balanced Fund (the “Compartment”) is a medium risk vehicle aiming to provide moderate capital growth in the reference currency over an investment cycle.
- 14.2 The Compartment will be suitable for investors with a moderate risk profile who seek a balanced moderate growth as their primary objectives over the long term. The recommended duration of placement for investors is 3 to 5 years.
- 14.3 There can be no guarantee that the Compartment’s objective will be achieved.

**Objectives and investment policy**

- 14.4 The Compartment aims to offer an exposure to a balanced portfolio of the following asset classes: debt securities (sovereign debt and corporate debt) including Money Market Instruments, equities and equity related securities, currencies and cash.
- 14.5 In order to achieve its objective, the Compartment will mainly invest:
- (a) directly in the securities/asset classes mentioned in the previous Section; and/or
  - (b) in UCIs having as main objective to invest or grant an exposure to the above-mentioned asset classes; and/or
  - (c) in any Transferable Securities (such as structured products, as described below) linked or offering an exposure to the performance of the above-mentioned asset classes.
- 14.6 The choice of investments will neither be limited by geographical area (including emerging markets), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 14.7 Furthermore, the exposure to each of the above-mentioned asset classes can change from time to time, and (i) it is understood that the “currencies and cash” asset class should remain relatively small in normal financial market conditions and could be increased for defensive purposes; and (ii) the Investment Manager intends to be exposed (via direct and indirect investments) up to 70% of the Compartment’s net assets in the “equities” asset class and also up to 70% of the Compartment’s net assets in the “debt securities” asset class.
- 14.8 These upper limits must be understood as a long term guide and are, therefore, indicative. Depending on investment opportunities and market conditions, the Compartment may deviate from these limits at any time.
- 14.9 The Compartment can be exposed to investment grade and non-investment grade debt securities, without any particular restriction, even if it is the intention of the Investment Manager to give greater place to investment grade securities.



- 14.10 The Compartment's investments in Russia, other than those which are listed on the MICEX - RTS and any Other Regulated Markets in Russia, combined with investments that are made in other assets as referred Section 22.3(i) in the main body of the Prospectus, shall not exceed 10% of the net assets of the Compartment.
- 14.11 The Compartment may invest in structured products, such as but not limited to notes, certificates or any other transferable securities, whose returns are correlated with changes in equities, debt securities or a basket of equities or debt securities in line with the investment policy and at all times in compliance with the Grand-Ducal Regulation.
- 14.12 For hedging and for any other purposes, within the limits set out in the investment restrictions in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision.
- 14.13 However, the Investment Manager intends to use principally options and futures having underlyings in line with the investment policy, currency swaps and forward exchange contracts on currencies. Total return swaps are not part of the Compartment's core strategy but may be used occasionally, to a limited extend and in line with the Compartment's investment policy.
- 14.14 The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.
- 14.15 If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds and Money Market Instruments.

#### **Risk considerations specific to the Compartment**

- 14.16 The Compartment is subject to the specific risks linked to investments in equity securities, to interest rates risks linked to investment in debt securities, and to market volatility linked to the investment in derivative instruments and structured products. Furthermore, the Compartment may invest part of the assets in less liquid securities.
- 14.17 The low level of investment diversification as well as the intensive trading activity may result in a high volatility of the net asset value.
- 14.18 Subject to the assets allocation, the Compartment may also be subject to the specific risks linked to investments in Emerging Markets.
- 14.19 For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 "Risk considerations" above in the Prospectus.

#### **Global risk exposure**

- 14.20 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments, which may not exceed the value of the Compartment's net assets.

### **Income distribution policy**

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

### **Categories of Shares**

14.22

- (a) "USD" Class of Shares, expressed in USD;
- (b) "EUR" Class of Shares, expressed in EUR;
- (c) "CHF" Class of Shares, expressed in CHF;
- (d) "NOK" Class of Shares, expressed in NOK;

### **Reference Currency of the Compartment**

- 14.23 The Reference Currency is the USD.
- 14.24 The Shares issued in a currency other than the Reference Currency of the Compartment are hedged.

### **Management of the Compartment**

- 14.25 In relation to investment opportunities for the Compartment, the Management Company has appointed C-Quadrat Asset Management (UK) LLP, whose registered office is at 1, Vine Street, London W1J 0AH, United Kingdom, as Investment Manager, under the term of an Investment Management Agreement dated 31 March 2015.
- 14.26 The Investment Manager has appointed Octogone Gestion S.A., whose registered office is at Rue de Candolle 26, CH-1205 Geneva, Switzerland, as Investment Adviser under the terms of an Investment Advisory Agreement dated 31 March 2015.

### **Frequency of calculation of NAV**

- 14.27 The net asset value of the Compartment will be calculated each Tuesday (the "Calculation Day"), on the basis of the pricing of the preceding day (the "Valuation Day"). In the event that a Tuesday is not a Business Day, the net asset value of the Compartment will be calculated the immediately following Business Day.

### **Investment management fee specific to this Compartment**

- 14.28 Up to 2.5% p.a., calculated on the Net Asset Value of the relevant category of Shares.
- 14.29 The Investment management fee is the maximum amount for the investment management fee charged at the level of the category of Shares as well as at the level of the UCI in which the Compartment is invested.

- 14.30 The investment management fee will be paid, out of the assets of the Compartment, on a quarterly basis.

**Advisory fee specific to this Compartment**

- 14.31 Up to 1% p.a., calculated on the Net Asset Value of the relevant category of Shares.
- 14.32 The advisory fee will be paid, out of the assets of the Compartment, on a quarterly basis.

**Performance fee**

- 14.33 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to 5 % of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter).
- 14.34 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 14.35 The performance fee is equal to the out performance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark for the calculation period in question.
- 14.36 The high water mark is defined as the greater of the following two figures:
- (a) the last highest Net Asset Value per Share on which a performance fee has been paid; and
  - (b) the initial NAV per Share,
- hereafter referred to as the "High Water Mark".
- 14.37 The High Water Mark will be decreased by the dividends paid to Shareholders.
- 14.38 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 14.39 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.
- 14.40 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the

subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

- 14.41 Calculation period shall correspond to each calendar year.
- 14.42 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.
- 14.43 For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2015.
- 14.44 The formula for the calculation of the performance fee is as follows:

$$F = \begin{cases} 0 & \text{If } (B / E - 1) \leq 0 \\ (B / E - 1) * E * C * A & \text{If } (B / E - 1) > 0 \end{cases}$$

$$\text{The new High Water Mark} = \begin{cases} \text{if } F > 0; D \\ \text{If } F = 0; E \end{cases}$$

$$\begin{aligned} \text{Number of Shares outstanding} &= A \\ \text{NAV per Share before performance} &= B \\ \text{Performance fee rate (5\%)} &= C \\ \text{NAV per Share after performance} &= D \\ \text{High Water Mark} &= E \\ \text{Performance fees} &= F \end{aligned}$$

#### Initial Subscription Period

- 14.45 From 8 May 2015 to 18 May 2015, at the initial subscription price of 100 USD, 100 EUR, 100 CHF, and 100 NOK, in respect of the relevant Class of Shares.

**15. PROTEA FUND – HARBOUR AUSTRALIA & NEW ZEALAND EQUITY INCOME FUND**

**Investors' profile**

- 15.0 The compartment Protea Fund – Harbour Australia & New Zealand Equity Income Fund (the "Compartment") is mainly invested in New Zealand and Australian equities so returns may be volatile. The Compartment may be suitable for investors with a long-term investment horizon seeking income with the potential for capital growth. The Compartment pursues a long and stock-picking strategy.

**Objectives and investment policy**

- 15.1 The Compartment's objective is to generate attractive levels of income each quarter from a diversified portfolio of Australasian equities (meaning New Zealand and Australian equities). The Compartment aims to target quarterly distributions of 120% of the average yield on the S&P/New Zealand Exchange 50 Gross index and S&P/ASX 200 index over three year periods. For the avoidance of doubt, the target quarterly distributions described above are an objective the Compartment aims to achieve and should not be understood as a guarantee of achievement. The Compartment is diversified holding between 40-60 names across both the New Zealand and Australian markets. The Compartment also by its design and implementation seeks to have a lower volatility of returns than compared to the broader New Zealand and Australian markets.
- 15.2 There can be no assurance that the investment objective will be achieved.
- 15.3 To achieve this, the Compartment will mainly invest in equities of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in New Zealand or Australia.
- 15.4 Except the geographical focus, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single currency and/or in a single economic sector.
- 15.5 Furthermore, the allocation mix between Australia and New Zealand may vary according to the Investment Manager's discretion and market conditions.
- 15.6 On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as debt securities, Money Market Instruments, structured products (as described below), UCIs and cash. The Compartment may also invest up to 10% of its net assets in Contingent Convertible Bonds.
- 15.7 However:
- (a) The Compartment's investments in units or shares of UCITS and/or other UCIs as referred to in Section 22.3(e) of the main body of the Prospectus, shall not exceed 10% of the net assets of the Compartment.
  - (b) Investments in debt securities, within the meaning of EU Savings Directive, will be limited to 25% of the Compartment's net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Compartment

will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.

- (c) If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds (within the 10% limit above-mentioned) and Money Market Instruments.

- 15.8 Structured products that may be used on an ancillary basis will be instruments such as but not limited to notes, certificates or any other Transferable Securities whose returns are correlated with changes in equities or a basket of equities, in line with the investment policy and at all times in compliance with the Grand-Ducal Regulation. Those investments may not be used to elude the investment policy of the Compartment.
- 15.9 The Compartment may also invest on an ancillary basis in REITS in line with the investment policy and at all times in compliance with the Grand-Ducal Regulation.
- 15.10 The Investment Manager intends to use, for hedging and for any other purposes, futures on equities and index equities, and forward foreign exchange contracts.
- 15.11 Nevertheless, to a lesser extent, for hedging and for any other purposes, within the limits set out in Section 22 “Investment restrictions” in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision.
- 15.12 The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

#### **Risk Considerations specific to the Compartment**

- 15.13 The Compartment is subject to specific risks linked to investments in equity securities denominated in various currencies, to market volatility linked to equity securities and to investments in derivative instruments. Please refer to the Section 15 “Risk Considerations” in the main body of the Prospectus for further details in this connection.

#### **Global Risk Exposure**

- 15.14 The Compartment’s global risk exposure is monitored by using the Commitment approach. This approach measures the global exposure related to positions on financial derivative instruments (“FDIs”) which may not exceed the Compartment’s net asset value.

#### **Performance**

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

#### **Income Distribution Policy**

- 15.16 The Compartment will provide for annual distributions of income. The level of income distributed will be dependent upon the level of income the Compartment receives over the relevant year from dividends and interest. Investors will have the ability to take these annual distributions as cash or to reinvest into additional shares. Any dividend will be paid after the annual General Meeting, at the latest 6 months after the close of the Business Year.

**Categories of shares**

15.17

- (a) Class A Shares – available to all type of investors with a minimum subscription amount of EUR500,000 for initial subscriptions and any additional subscriptions;
- (b) Class B Shares – strictly available to institutional investors with a minimum subscription amount of EUR25,000 for initial subscriptions and any additional subscription;
- (c) Class C Shares – available to retail investors with a minimum subscription amount of EUR5,000.

- 15.18 For the avoidance of doubt, and by reference to Section 8.7 of the main body of the Prospectus, no redemption commission will apply.

**Reference Currency**

- 15.19 The Reference Currency is the EUR.

**Management of the Compartment**

- 15.20 In relation to investment opportunities for the Compartment, the Management Company has appointed Harbour Asset Management Limited, whose registered office is at Level 12, 171 Featherston Street, Wellington, 6140, New Zealand, as Investment Manager, under the terms of an Investment Management Agreement.

**Frequency of calculation of NAV**

- 15.21 The Net Asset Value of the Compartment shall be calculated on each Business Day.

**Management fees specific to this Compartment**

15.22

Class A Shares	max. 0.65% p.a.
Class B Shares	max. 1.25% p.a.
Class C Shares	Max. 1.65 p.a.

**Initial Subscription Period**

From 12 May 2016 until 23 May 2016, with payment date on 27 May 2016, at the Initial Subscription Price of EUR100 per Share.



**16. PROTEA FUND – BAM GLOBAL BONDS**

**Investors' profile**

- 16.1 The compartment Protea Fund – BAM Global Bonds (the “Compartment”) is a medium risk vehicle aiming to provide regular income and capital growth.
- 16.2 The recommended duration of placement for investors is 3 to 5 years.

**Objectives and investment policy**

- 16.3 The objective of the Compartment is to provide the investors with long-term capital appreciation of their investment mainly through all opportunities across the fixed income universe denominated in any currency.
- 16.4 To achieve this, the Compartment will mainly invest in worldwide debt securities (including convertible bonds of any type)
- (a) issued by corporate or sovereign issuers; and
  - (b) with a minimum credit quality of “non-investment grade speculative”.
- 16.5 The credit quality referred above relates to classification from any leading credit agencies and/or considered as equivalent by the Investment Manager. In case of discrepancies, the higher credit quality shall apply.
- 16.6 Except the credit quality focus, the choice of investments will neither be limited by geographical area (including emerging markets), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 16.7 On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as equities, Money Market Instruments, structured products (as described below), UCIs and cash. The Compartment may also invest up to 10% of its net assets in Contingent Convertible Bonds.
- 16.8 The Compartment's investments in Russia, other than those which are listed on the MICEX - RTS and any Other Regulated Markets in Russia, combined with investments that are made in other assets as referred in in Section 22.3(i) of the main body of the Prospectus, shall not exceed 10% of the net assets of the Compartment.
- 16.9 Structured products used will be instruments such as but not limited to notes, certificates or any other Transferable Securities whose returns are correlated with changes in debt securities or a basket of debt securities, in line with the investment policy and at all times in compliance with the Grand-Ducal Regulation. Those investments may not be used to elude the investment policy of the Compartment.
- 16.10 The Investment Manager intends to use, for hedging and for any other purposes, futures offering an exposure to debt securities, and forward exchange contracts on currencies.

- 16.11 Nevertheless, to a lesser extent, for hedging and for any other purposes, the Compartment may use all types of financial derivative instruments (except total return swaps) traded on a Regulated Market and/or OTC (including credit default swaps) provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision.
- 16.12 The Compartment may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.
- 16.13 If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds and Money Market instruments.

**Risk considerations specific to the Compartment**

- 16.14 The Compartment is subject to specific risks linked to investments in debt securities denominated in various currencies. Please refer to the Section 15 headed "Risk considerations" above for further details in this connection.

**Global risk exposure**

- 16.15 The Compartment's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on FDIs which may not exceed the Compartment's net asset value.

**Performance**

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

**Income distribution policy**

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

**Categories of Shares**

16.18

- (a) I Class of Shares: strictly dedicated to Institutional Investors
- (b) R Class of Shares: available to all type of investors

**Sub-categories of Shares**

- (a) EUR Sub-Class Shares, expressed in EUR.

- (b) USD Sub-Class Shares, expressed in USD;
- (c) CHF Sub-Class Shares, expressed in CHF.

#### **Reference Currency**

- 16.19 The Reference Currency is the EUR.
- 16.20 The USD Sub-Class Shares and the CHF Sub-Class Shares (the “Hedged Shares”) aim to hedge to a large extent the exchange risk USD/EUR and CHF/EUR.

#### **Payment of the subscription price or redemption price**

- 16.21 The amount for the subscription shall be paid or transferred as further set out in the general section of the Prospectus within two bank business days counting from the relevant valuation day as set out below.
- 16.22 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within two bank business days following the date when the net asset value applicable to the redemption was calculated.

#### **Management of the Compartment**

- 16.23 In relation to investment opportunities for the Compartment, the Management Company has appointed Bruellan SA, whose registered office is at Rue Sigisond-Thallberg, CH-1201 Geneva, Switzerland, as Investment Manager under the terms of an Investment Management Agreement dated 11 August 2015.

#### **Frequency of calculation of NAV**

- 16.24 The Net Asset Value is calculated on each Wednesday (which is the Valuation Day), based on pricing day as of Tuesday. In the event any such Wednesday is not a Business Day, the Net Asset Value is calculated on the immediately following Business Day.
- 16.25 For information purposes only, the NAV will be calculated as of the last calendar day of the month (the “Non Tradable NAV”). Subscriptions, redemptions and conversions cannot be accepted and dealt on a Non Tradable NAV.

#### **Management fee specific to this Compartment**

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

##### *Investment management fee*

Class I Share	max. 0.6% p.a.
Class R Share	max. 1.0% p.a.

#### **Initial Subscription Date**

- 16.26 On 1 September 2015, with payment date on 2 September 2015, at the initial subscription price of EUR100 per Share.

**17. PROTEA FUND – ATLANTIC CAPITAL – THE FLEXIBLE MULTI-ASSETS FUND**

**Investors' profile**

- 17.1 The compartment Protea Fund – Atlantic Capital – The Flexible Multi-Assets Fund (hereinafter the “Compartment”) aims at preserving the capital during adverse financial market conditions and to generate income and capital gains during normal environment.
- 17.2 This is obtained through large and flexible asset allocation ranges. The Investment Manager will apply dynamic and disciplined investment approach and intends to hedge the currency risk through the use of financial derivative instruments.
- 17.3 There can be no guarantee that the Compartment’s objective will be achieved.

**Investment objective and policy**

- 17.4 The Compartment will offer an exposure to the following asset classes: debt securities of any type (including Money Market Instruments), equities and equity related securities, cash, currencies and commodities.
- 17.5 In order to achieve its objective, the Compartment will mainly invest:
- (a) directly in the securities/asset classes mentioned in the previous paragraph (except for commodities); and/or
  - (b) in UCIs (UCITS and/or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus), having as main objective to invest or grant an exposure to the above-mentioned securities/asset classes; and/or
  - (c) in any transferable securities (such as structured products) linked or offering an exposure to the performance of the above-mentioned asset classes/securities.
- 17.6 The proportion of assets devoted to each asset class varies over time, and sometimes the Compartment can be exposed to several or only one of the above asset classes.
- 17.7 The choice of investments will neither be limited by geographical area (except emerging markets limited to 20% of the Compartment’s net assets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector and/or in a single asset class.
- 17.8 The Compartment may invest in structured products, such as but not limited to credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the Grand-Ducal Regulation (including indices on volatility, commodities, precious metals, etc.), currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI, at all times in compliance with the Grand-Ducal Regulation.
- 17.9 In compliance with the Grand-Ducal Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities

(including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.

- 17.10 The Compartment may also invest up to 10% of its net assets in Contingent Convertible Bonds.
- 17.11 For hedging and for investment purposes, within the limits set out in Section 22 “Investment restrictions” in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments (including volatility derivatives) traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision.
- 17.12 Nevertheless, in normal market conditions, the Investment Manager intends to use listed options and futures offering an exposure to equities and currency derivatives (such as forward foreign exchange contracts).
- 17.13 It is understood that:
- (a) As the investment policy can be achieved via UCIs, the Compartment can at any time invest more than 50% of its net assets in UCIs (UCITS and or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus provided that investments in other UCIs referred to in Section 22.3(e) of the main body of the Prospectus (excluding for the avoidance of doubt, investments in UCITS) will not exceed 30% of the net assets of the Compartment).
  - (b) The Compartment can be exposed to investment grade and non-investment grade debt securities, without any particular restriction.
  - (c) If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCIs (UCITS and/or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus) and Money Market Instruments.

#### **Risk considerations specific to the Compartment**

- 17.14 The Compartment is subject to specific risks linked to investments:
- in debt securities denominated in various currencies;
  - in Contingent Convertible Bonds;
  - in high-yield securities.
- 17.15 Please refer to the Section 15 headed “Risk considerations” above for further details in this connection.

#### **Global risk exposure**

- 17.16 The Compartment’s global risk exposure is monitored by using the commitment approach. The Compartment may ensure that its total commitment arising from financial derivative

instruments, for purposes other than hedging, does not exceed 100% of the Compartment's net assets.

### Performance

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

### Income distribution policy

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

### Categories of Shares

17.19

	P	I		Z	R
Initial subscription price	EUR100	EUR100	CHF100	EUR100	EUR100
Eligible investors	All types of investors	Institutional Investors only		Investors designated by the Investment Manager	All types of investors
Minimum initial subscription	EUR10,000	EUR100,000 or equivalent		1 Share	EUR1,000

### Reference Currency

- 17.20 The Reference Currency is the EUR.
- 17.21 The I CHF Share (the "Hedged Share") aims to hedge to a large extent the exchange risk CHF/EUR.

### Management of the Compartment

- 17.22 In relation to investment opportunities for the Compartment, the Management Company has appointed Atlantic Capital Limited, whose registered office is at Unit D, The Tower, Marina Bay, Gibraltar, as Investment Manager under the terms of an investment management agreement.

### Frequency of calculation of NAV

- 17.23 The Net Asset Value of the Compartment shall be calculated weekly on each Friday (the “Calculation Day”), on the basis of the pricing of the preceding Business Day (the “Valuation Day”). In the event that a Friday is not a Business Day, the Net Asset Value of the Compartment will be calculated the immediately following Business Day.

### Cut-off times

- 17.24 For any subscription, redemption or conversion request received by the Fund, prior to 12 p.m. (noon) Luxembourg time, on the Business Day preceding the Valuation Day, the Net Asset Value calculated on the said Valuation Day will be applicable.
- 17.25 For any subscription, redemption or conversion request arriving at the Fund after the deadline set at 12 p.m. (noon) Luxembourg time on the Business Day preceding the Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the next following Valuation Day.

### Payment of the subscription price or redemption price

- 17.26 The amount for the subscription shall be paid or transferred as further set out in the general section of the Prospectus within three Business Days counting from the relevant Valuation Day.
- 17.27 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within three Business Days from the relevant Valuation Day.

Cut-off	Subscription: 12 p.m. (noon) Luxembourg time, 1 Business Day before the Valuation Day.  Redemption: 12 p.m. (noon) Luxembourg time, 1 Business Day before the Valuation Day.
Valuation Day (pricing day)	The Business Day preceding the Calculation Day.
Calculation Day	Weekly, on each Friday. In the event that a Friday is not a Business Day, the Net Asset Value of the Compartment will be calculated on the immediate following Business Day.
Settlement Day	Subscription: within three Business Days after the relevant Valuation Day.  Redemption: within three Business Days after the relevant Valuation Day.

### Fees specific to this Compartment

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

## PROTEA FUND

### *Investment management fee*

Class P	max.: 1.5% p.a.
Class I	max.: 1.0% p.a.
Class Z	n/a
Class R	max.: 3% p.a.

### *Other fees*

- 17.29 The fees related to distributors and intermediaries will be limited to a maximum of 1% of the subscription amounts.

### **Initial Subscription Period**

- 17.30 From 25 January 2016 until 11 February 2016, with payment date on 17 February 2016, at the initial subscription price per Share as described under Section 18.19 above.



**18. PROTEA FUND – ATLANTIC CAPITAL – THE OPPORTUNISTIC EQUITY FUND**

**Investors' profile**

- 18.0 The compartment Protea Fund – Atlantic Capital – The Opportunistic Equity Fund (hereinafter the “Compartment”) aims at generating a risk adjusted return within the equity market, focusing on protecting the capital during adverse financial market conditions. During normal environment the Compartment will aim at generating income and capital gains.
- 18.1 This is obtained through a large and a flexible allocation to equity markets and cash (0% to 100%) and disciplined investment approach. The Investment Manager will perform the stock picking, applying a technical analysis in order to define the timing (entry/exit points) and to set the maximum loss or minimum gain targets in order to respect the risk budget and the investment objectives.
- 18.2 There can be no guarantee that the Compartment's objective will be achieved.

**Investment objective and investment policy**

Main Investments

- 18.3 The Compartment will mainly invest in:
- (a) equities of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in US or European countries; and/or
  - (b) cash deposits and cash equivalents (Money Market Instruments, money market UCITS and/or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus).
- 18.4 The Investment Manager intends to invest the Compartment's assets in equities and equity related securities. However, at any time and on a permanent basis (as a measure of capital preservation), all or part of the assets can be invested in cash deposits, money market UCIs and Money Market Instruments.
- 18.5 The choice of investments will neither be limited by geographical area (except emerging markets limited to 10% of the Compartment's net assets), economic sector, nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

Other investments

- 18.6 On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as equities other than those above-mentioned, and UCIs (UCITS and/or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus).
- 18.7 However, the Compartment's investments in units or shares of UCITS and/or other UCIs referred in Section 22.3(e) in the main body of the Prospectus shall not exceed 10% of its net assets.

- 18.8 For hedging and for investment purposes, within the limits set out in Section 22 “Investment restrictions” in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision.
- 18.9 Nevertheless, in normal market conditions, the Investment Manager intends to use listed options and futures offering an exposure to equities and currency derivatives (such as forward foreign exchange contracts).

#### **Risk considerations specific to the Compartment**

- 18.10 The Compartment is subject to specific risks linked to investments in equity securities denominated in various currencies. Please refer to the Section 15 headed “Risk considerations” above for further details in this connection.

#### **Global risk exposure**

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

#### **Performance**

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

#### **Income distribution policy**

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

#### **Categories of Shares**

18.14

	P	I	Z
Initial subscription price	EUR100	EUR100	EUR100
Eligible investors	All types of investors	Institutional Investors only	Investors designated by the Investment Manager

Minimum initial subscription	EUR10,000	EUR100,000	1 Share
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### Reference Currency

- 18.15 The Reference Currency is the EUR.

### Management of the Compartment

- 18.16 In relation to investment opportunities for the Compartment, the Management Company has appointed Atlantic Capital Limited, whose registered office is at Unit D, The Tower, Marina Bay, Gibraltar, as Investment Manager under the terms of an investment management agreement.

### Frequency of calculation of NAV

- 18.17 The Net Asset Value of the Compartment shall be calculated weekly on each Friday (the "Calculation Day"), on the basis of the pricing of the preceding Business Day (the "Valuation Day"). In the event that a Friday is not a Business Day, the Net Asset Value of the Compartment will be calculated the immediately following Business Day.

### Cut-off times

- 18.18 For any subscription, redemption or conversion request received by the Fund, prior to 12 p.m. (noon) Luxembourg time, on the Business Day preceding the Valuation Day, the Net Asset Value calculated on the said Valuation Day will be applicable.
- 18.19 For any subscription, redemption or conversion request arriving at the Fund after the deadline set at 12 p.m. (noon) Luxembourg time on the Business Day preceding the Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the next following Valuation Day.

### Payment of the subscription price or redemption price

- 18.20 The amount for the subscription shall be paid or transferred as further set out in the general section of the Prospectus within three Business Days counting from the relevant Valuation Day.
- 18.21 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within three Business Days from the relevant Valuation Day.

Cut-off	Subscription: 12 p.m. (noon) Luxembourg time, 1 Business Day before the Valuation Day.  Redemption: 12 p.m. (noon) Luxembourg time, 1 Business Day before the Valuation Day.
Valuation Day (pricing day)	The Business Day preceding the Calculation Day.

Calculation Day	Weekly, on each Friday. In the event that a Friday is not a Business Day, the Net Asset Value of the Compartment will be calculated on the immediate following Business Day.
Settlement Day	Subscription: within three Business Days after the relevant Valuation Day.  Redemption: within three Business Days after the relevant Valuation Day.

### **Fees specific to this Compartment**

18.22 The Fund will pay to the Investment Manager a management fee as described as follows:

#### *Investment management fee*

Class P	max.: 1.5% p.a.
Class I	max.: 1.0% p.a.
Class Z	n/a

#### *Other fees*

The fees related to distributors and intermediaries will be limited to a maximum of 1% of the subscription amounts.

### **Initial Subscription Date**

18.23 As of 22 June 2016, with payment date on 24 June 2016, at the initial subscription price per Share as described under Section 18.14 above.

## 19. PROTEA FUND – SPIRIT EUROPEAN GLOBAL LEADERS

### **Investors' profile**

19.1 The compartment Protea Fund – Spirit European Global Leaders (the “Compartment”) is a medium/high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in equities and are more concerned with maximising long term returns than minimising possible short term losses, hence it requires an investment horizon of at least 3 years.

19.2 There can be no assurance that the investment objective will be achieved.

### **Objectives and investment policy**

19.3 The Compartment's objective is to deliver superior performance in both absolute and relative term over the medium to long term horizon.

19.4 The Compartment's objective is to achieve long-term capital growth for the investor and to outperform the STOXX Europe 600 index with a lower realised volatility by investing in the companies that are identified as the European Global Leaders.

19.5 The stock selection is based on the identification of long term investment themes and on operational criteria (value creation and cash flow generation).

19.6 The European Global Leaders are quality companies that the Investment Manager identifies, based on the criteria described above, as fit for a long-term investment. The stocks selected for an investment are recognised as corporate success stories delivering clear and constant outperformance. European Global Leaders are designed to be a core investment for investors seeking to invest in high-quality companies with strong fundamentals and good long-term prospects.

19.7 The allocation of investments within the Compartment will be done with respect to the company's capitalisation and the aim to maintain a well-diversified portfolio.

19.8 To achieve this, the Compartment will invest at least 75% of its net assets in equities or equity-related securities (ADR, GDR, subscription rights) of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in Europe (including United Kingdom, Switzerland and the Scandinavian countries).

19.9 Except the geographical focus, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

19.10 Up to 25% of its net assets, the Compartment may invest in any other type of eligible assets, such as UCIs (UCITS and/or other UCIs), cash and cash equivalent.

19.11 However:

- The Compartment's investments in units or shares of UCIs (UCITS and/or UCIs other than UCITS) referred in Section 22.3(e) of the main body of the Prospectus), shall not exceed 10% of the net assets of the Compartment.
- If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also hold, on a temporary basis and for defensive purposes, up to 100% of its net assets, in liquidities as among others cash deposits, money market UCIs (within the 10% limit above-mentioned) and Money Market Instruments.

19.12 For hedging and for investment purposes, within the limits set out in Section 22 “Investment restrictions” in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision. However, the Investment Manager intends to use principally, options, futures and forward exchange contracts.

**Risk considerations specific to the Compartment**

19.13 The Compartment is subject to specific risks linked to investments in equity securities denominated in various currencies as well as to market volatility linked to equity.

19.14 The attention of prospective investors is drawn to the fact that the acquisition of financial derivative instruments with the aim of increasing results may entail certain risks, which may in turn have a negative impact on the overall performance of the Compartment. Please refer to the Section 15 headed “Risk considerations” above for further details in this connection.

**Global risk exposure**

19.15 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the exposure related to positions on derivative techniques and instruments which may not exceed the value of the Compartment’s net assets. The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

**Performance**

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

**Income distribution policy**

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

### Categories of Shares

19.18

	R	I	R(H)	I(H)
Initial subscription price	EUR1000	EUR1000	The equivalent in USD of the NAV of class R Share applicable on the relevant Valuation Day	The equivalent in USD of the NAV of class I Share applicable on the relevant Valuation Day
Eligible investors	All types of investors	Institutional Investors only	All types of investors	Institutional Investors only
Minimum initial subscription and any additional subscriptions	No minimum	EUR 125,000	No minimum	EUR 125,000

Class R(H) Shares and Class i(H) Shares will be hedged.

### Reference Currency

19.19 The Reference Currency is the EUR.

19.20 The Class R (H) Shares and the Class I (H) Shares aim to hedge to a large extent the exchange risk EUR/USD.

### Management of the Compartment

19.21 In relation to investment opportunities for the Compartment, the Management Company has appointed Spirit Asset Management S.A., whose registered office is at 31-33, avenue Pasteur, L-2311 Luxembourg, Grand Duchy of Luxembourg, as Investment Manager, under the terms of an Investment Management Agreement dated 28 April 2016.

19.22 The Investment Manager is an independent wealth manager, incorporated in Luxembourg since December 2014.

19.23 The Investment Manager is regulated by the CSSF, and offers a comprehensive range of investment management services, together with its banking partners in Luxembourg and abroad. The Investment Manager is audited by KPMG Luxembourg, *Société coopérative* as external auditor.

### Frequency of calculation of NAV

19.24 The Net Asset Value of the Compartment shall be calculated daily on each Business Day (the "Calculation Day"), on the basis of the pricing of the preceding Business Day (the "Valuation

Day"). If such Valuation Day is not a Business Day, the Net Asset Value of the Compartment will be calculated the immediately following Business Day.

#### **Cut-off times**

- 19.25 For any subscription, redemption or conversion request received by the Fund, prior to 4 p.m. Luxembourg time, on the Valuation Day, the Net Asset Value calculated on the said Valuation Day will be applicable.
- 19.26 For any subscription, redemption and conversion request arriving at the Fund after the deadline set at 4 p.m. Luxembourg time on the Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the next following Valuation Day.

#### **Payment of the subscription price or redemption price**

- 19.27 The amount for the subscription shall be paid or transferred as further set out in the general section of the Prospectus within two Business Days after the relevant Valuation Day.
- 19.28 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within three Business Days after the relevant Valuation Day.

Cut-off	Subscription: 4 p.m. Luxembourg time on the Valuation Day  Redemption: 4 p.m. Luxembourg time on the Valuation Day  Conversion: 4 p.m. Luxembourg time, the Business Day prior to the Calculation Day
Valuation Day (Pricing Day)	Each Business Day.
Calculation Day	One Business Day following the Pricing Day.
Settlement Day	Subscription: within 2 Business Days after the relevant Valuation Day  Redemption: within 3 Business Days after the relevant Valuation Day  Conversion: within 3 Business Days after the relevant Valuation Day

#### **Fees specific to this Compartment**

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

*Investment management fee*



Class I Shares and Class I(H) Shares	max.: 1.25% p.a.
Class R Shares and Class R(H) Shares	max.: 1.75% p.a.

*Other fees*

- 19.30 The fees related to distributors and intermediaries will be limited to a maximum of 1% of the subscription amounts.
- 19.31 The fees related to the hedging of Class I(H) Shares and Class R(H) Shares performed by the Depositary will be limited to a maximum of 0.05% p.a. (with a minimum annual amount of EUR5,000).

**Performance fee**

- 19.32 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to 10% of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter).
- 19.33 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 19.34 The performance fee is equal to the out performance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark for the calculation period in question.
- 19.35 The high water mark is defined as the greater of the following two figures:
- (a) the last highest Net Asset Value per Share on which a performance fee has been paid; and
  - (b) the initial NAV per Share,
- hereafter referred to as the “High Water Mark”.
- 19.36 The High Water Mark will be decreased by the dividends paid to Shareholders.
- 19.37 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 19.38 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.

19.39 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

19.40 Calculation period shall correspond to each calendar year.

19.41 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.

19.42 For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2016.

19.43 The formula for the calculation of the performance fee is as follows:

$$\begin{aligned}
 F &= 0 && \text{If } (B / E - 1) \leq 0 \\
 F &= (B / E - 1) * E * C * A && \text{If } (B / E - 1) > 0 \\
 \text{The new high water mark} &= \text{if } F > 0; D \\
 &&& \text{If } F = 0; E \\
 \text{Number of shares outstanding} &= A \\
 \text{NAV per share before performance} &= B \\
 \text{Performance fee rate (10\%)} &= C \\
 \text{NAV per share after performance} &= D \\
 \text{High water mark} &= E \\
 \text{Performance fees} &= F
 \end{aligned}$$

#### Initial Subscription Period

19.44 From 20 June 2016 to 21 June 2016, at the Initial Subscription Price per Share as described in Section 19.18 above.

## 20. PROTEA FUND – WHITE SWAN FUND

### **Investors' profile**

- 20.1 The compartment Protea Fund – White Swan Fund (the “Compartment”) has an objective of medium to long term capital growth from a relatively concentrated portfolio of World equities investments. It may be suitable for investors who are seeking long term growth potential offered through investment in equities and are more concerned with maximising long term returns than minimising possible short term losses. Hence it requires an investment horizon of at least 3 years.

### **Objectives and investment policy**

- 20.2 The investment selection is based on a combination of “Top-Down” approach and “Bottom-Up stock picking” selection with a specific focus on worldwide large market cap companies.
- 20.3 To implement its philosophy and achieve its investment objective, the Compartment will mainly invest in equities investments such as stocks, ADR, GDR, etc.
- 20.4 There will be no restriction in terms of geographical exposure (including emerging countries), economic sector nor in terms of currencies. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 20.5 The Compartment may also invest up to 49% of its net assets in any other type of eligible assets, such as debt securities, Money Market Instruments, UCIs (within the 10% limit below) or cash.
- 20.6 However, the Sub-Fund may invest directly in the assets listed below, subject to the following limits:
- maximum 10% of its net assets in UCIs (UCITS and/or other UCIs) referred to in Section 22.3(e) of the main body of the Prospectus;
  - debt securities with credit rating of minimum investment grade. Credit ratings referred above are those measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager in the absence of any official rating. In case of dual rating, the higher rating shall apply.
- 20.7 On a temporary basis and for defensive purposes, the Compartment may also hold, up to 100% of its net assets in liquid assets, such as cash and cash equivalents, cash deposits, money market UCIs (within the limits set out under Section 20.6 above) and Money Market Instruments, treasury bills and other short-term sovereign securities.
- 20.8 For hedging and for investment purposes, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC, provided they are contracted with leading financial institutions specialised in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps and forwards on any underlying in line with the Law of 2010 as well as the investment policy of the Compartment, including but not limited to, currencies, interest rates, transferable securities, basket of transferable securities, eligible indices, UCIs.

- 20.9 Nevertheless, in normal market conditions, the Investment Manager intends to use options, warrants, futures offering an exposure to equities, eligible financial indices, basket of equities, currency and/or forward foreign exchange contracts.

#### **Risk considerations specific to the Compartment**

- 20.10 The Compartment is subject to specific risks linked to investments in equity securities denominated in various currencies, to market volatility linked to equity securities and to market volatility linked to investments in derivative instruments. Please refer to Section 15 headed “Risk considerations” in the main body of the Prospectus for further details in this connection.

#### **Global risk exposure**

- 20.11 The Compartment’s global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment’s Net Asset Value.

#### **Performance**

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

#### **Income distribution policy**

- 20.13 This Compartment pursues an income distribution policy. Any dividend will be paid after the annual General Meeting, at the latest 6 months after the close of the Business Year. However, the Directors reserve their right to revise this policy at their discretion.

#### **Categories of Shares**

20.14

	I-USD-D	I-EUR Hedged D	I-CHF Hedged D	R-USD-D*	R-EUR Hedged D*	R-CHF Hedged* D
Initial subscription price	USD100	EUR100	CHF100	USD100	EUR100	CHF100
Eligible investors	Institutional Investors only	Institutional Investors only	Institutional Investors only	All type of investors	All type of investors	All type of investors
Minimum initial subscription	N/A	N/A	N/A	N/A	N/A	N/A
Accumulation/Distribution	Distribution	Distribution	Distribution	Distribution	Distribution	Distribution

**\* These categories of Shares will be launched upon decision of the Board.**

### **Reference Currency**

20.15 The Reference Currency is the USD.

20.16 The I-EUR Hedged D Shares, the R-EUR Hedged D Shares, the I-CHF Hedged D Shares and the R-CHF Hedged D Shares (the “Hedged Shares”) aim to hedge to a large extent the exchange risk EUR/USD and CHF/USD.

### **Management of the Compartment**

20.17 In relation to investment opportunities for the Compartment, the Management Company has appointed Valex Capital AG, whose registered office is at Schützenstrasse 18, CH-8808 Pfäffikon, Switzerland, as Investment Manager under the terms of an investment management agreement dated 26 April 2016.

### **Frequency of calculation of NAV**

20.18 The Net Asset Value of the Compartment shall be calculated daily on each Business Day (the “Calculation Day”), on the basis of the pricing of the preceding Business Day (the “Valuation Day”).

### **Payment of the subscription price or redemption price**

20.19 By way of derogation from the main body of the Prospectus, the amount for the subscription shall be paid or transferred within two Business Days counting from the relevant Valuation Day as set out below.

20.20 By way of derogation from the main body of Prospectus, redemption proceeds will be paid within 5 Business Days following the relevant Valuation Day.

Cut-off	Subscription: prior to 4 p.m., on the Business Day before the relevant Valuation Day.  Redemption: prior to 4 p.m., on the Business Day before the relevant Valuation Day.
Valuation Day (pricing day)	The Business Day preceding the Calculation Day.
Calculation Day	The Luxembourg Business Day following the Valuation Day.

Settlement Day	<p>Subscription: within two (2) Business Days after the relevant Valuation Day.</p> <p>Redemption: within five (5) Business Days after the relevant Valuation Day.</p>
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### **Benchmark**

- 20.21 Benchmark =  $0,4 \times \text{S\&P500 index} + 0,4 \times \text{Nikkei225} + 0,2 \times \text{Eurostoxx50}$  (calculation made only with the % performance of each index in its own currency, so without currency effects) (the "Benchmark").

### **Fees specific to this Compartment**

#### *Investment management fee*

- 20.22 The Fund will pay to the Investment Manager a management fee up to 2% p.a. in respect of class I Shares and a management fee up to 2.5% p.a. in respect of class R Shares.
- 20.23 The investment management fee will be calculated on a monthly basis, in arrear, on the average net assets of the relevant category of Shares of the Compartment.

#### *Performance fee*

- 20.24 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to 20% of the performance of the NAV per Share (measured against the High Water Mark) over the return of the relevant Benchmark (as defined above), calculated since the last performance fee payment.
- 20.25 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 20.26 The performance fee is equal to the outperformance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the performance of the NAV per Share before performance fee turns out to be below the performance of the Benchmark since the last performance fee payment (or since inception if there were no previous performance fee payment).
- 20.27 The High Water Mark is defined as the last Net Asset Value per Share on which a performance fee has been paid. The first High Water Mark is the initial NAV per share.

The High Water Mark will be decreased by the dividends paid to Shareholders.

- 20.28 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share underperforms the Benchmark during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

- 20.29 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.
- 20.30 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per Share against the Benchmark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark adjusted by the Benchmark performance at the date of subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 20.31 Calculation period shall correspond to each calendar year.
- 20.32 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.
- 20.33 The formula for the calculation of the performance fee is as follows :

$$\begin{aligned}
 F &= 0 && \text{If } [(B / E - 1) - (G / H - 1)] \leq 0 \\
 F &= \frac{[(B / E - 1) - (G / H - 1)] * E * C * A}{\text{If } [(B / E - 1) - (G / H - 1)] > 0} \\
 \text{The new High Water Mark} &= \begin{cases} \text{If } F=0 \Rightarrow E \\ \text{If } F>0 \Rightarrow D \end{cases} \\
 \\ 
 \text{Number of shares outstanding} &= A \\
 \text{NAV per share before performance} &= B \\
 \text{Performance fee rate (20\%)} &= C \\
 \text{NAV per share after performance} &= D \\
 \text{High Water Mark} &= E \\
 \text{Performance fees} &= F \\
 \text{Benchmark value at the valuation date} &= G \\
 \text{Benchmark value at the last performance fees payment date} &= H
 \end{aligned}$$

20.34 This performance fee methodology enables the Shareholder to pay a performance fee to the Investment Manager only if :

- (a) the Compartment generates a performance higher than the Benchmark ; and
- (b) the outperformance index is higher than the historical highest point (High Water Mark), meaning if the Compartment delivers a negative performance one quarter, it has to outperform at least by this negative outperformance before charging a performance fee.

20.35 For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2016.

*Other fees*

20.36 Subscription fee: up to 3% (but currently at 0%).

20.37 Redemption fee : N/A

**Initial Subscription Period**

From 12 May 2016 to 18 May 2016, at the Initial Subscription Price per Share as described under Section 20.14 above.



## 21. PROTEA FUND – ORCADIA GLOBAL SUSTAINABLE BALANCED

### Investors' profile

- 21.1 The compartment Protea Fund – Orcadia Global Sustainable Balanced (the “Compartment”) is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through an exposure to the equities markets and bonds markets. Hence it requires an investment horizon of at least 7 years.
- 21.2 There can be no guarantee that the Compartment’s objective will be achieved.

### Objectives and investment policy

- 21.3 The Compartment’s objective is to provide capital growth by offering mainly an exposure to the following asset classes: debt securities of any type (including Money Market Instruments), equities and equity related securities (such as subscription rights, closed-ended REITS, global depositary receipts).
- 21.4 The Compartment will have a focus on countries, companies and organisations which contribute to sustainable development, covering the Environmental, Social and Governance (“ESG”) criteria. Meaning that under normal market conditions, ESG investments will represent at least 50% of the Compartment’s portfolio (assets excluding cash and cash equivalents).
- 21.5 Regarding direct investments in corporate debt securities or equities and equity related securities, the Investment Manager should mainly invest in issuers which are part of the MSCI ESG universe.
- 21.6 In order to achieve its objective, the Compartment will mainly invest:
- (a) directly in the securities/asset classes mentioned in Section 21.2; and/or
  - (b) in UCIs (UCITS and/or other UCIs referred to in Section 22.3 (e) of the main body of the Prospectus), having as main objective to invest or grant an exposure to the above- mentioned securities/asset classes.
- 21.7 The proportion of assets devoted to each asset class varies over time. However, without being a constraint, the Investment Manager intends to have an exposure (via direct and in indirect investments):
- (a) of maximum of 65% of the Compartment’s net assets to the equity asset class; and
  - (b) between 20% and 65% of the Compartment’s net assets to the debt securities asset class.
- 21.8 The choice of investments will neither be limited by geographical area (except emerging markets limited to 20% of the Compartment’s net assets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities.

However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

- 21.9 On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as cash, UCIs with other underlying than those above-mentioned and structured products (as described below).
- 21.10 The Compartment may invest in structured products with or without embedded derivatives in accordance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, such as, but not limited to, credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, equities, bonds, an index (including indices on volatility, commodities, precious metals, etc.) selected in accordance with the article 9 of the Grand-Ducal Regulation, currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI, at all times in compliance with the Grand-Ducal Regulation.
- 21.11 In compliance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Compartment.
- 21.12 The Compartment may also invest up to 10% of its net assets in Contingent Convertible Bonds.
- 21.13 For hedging and for investment purposes, within the limits set out in Section 22 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.
- 21.14 Nevertheless, in normal market conditions, the Investment Manager intends to use listed options and futures offering an exposure to equities or debt securities and currency derivatives (such as forward foreign exchange contracts).
- 21.15 It is understood that:
  - (a) As the investment policy can be achieved via UCIs, the Compartment can at any time invest more than 50% of its net assets in UCIs (UCITS and or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus). It may result in duplication of certain costs. In addition to the costs borne by the Compartment as part of its daily management, management fees will be indirectly levied via the target UCIs that it holds. The total investment management fees may not exceed 5%; the performance and advisory fees are covered by the term "investment management fees".
  - (b) The Compartment can be exposed to investment grade and non-investment grade debt securities, without any particular restriction.

- (c) If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also hold up to 100% of its net assets in liquidities as among others cash deposits, money market UCIs (UCITS and/or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus) and Money Market Instruments.

### **Risk considerations specific to the Compartment**

- 21.16 The assets of the Compartment are subject to market fluctuations and the risks inherent to any investment in bonds and equities. Please refer to the Section 15 headed "Risk considerations" above for further details in this connection.

### **Global risk exposure**

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

### **Performance**

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

### **Income distribution policy**

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

### **Categories of Shares**

21.21

	A		B		C		D		O	
Name of the Category of Shares	Class A Dis	Class A Acc	Class B Dis	Class B Acc	Class C Dis	Class C Acc	Class D Dis	Class D Acc	Class O Dis	Class O Acc
Distribution policy	DIS <sup>1</sup>	ACC <sup>2</sup>	DIS	ACC	DIS	ACC	DIS	ACC	DIS	ACC

<sup>1</sup> "DIS" is an acronym for "distribution".

<sup>2</sup> "ACC" is an acronym for "accumulation"

Initial Subscription Price	EUR100	EUR100	EUR100	EUR100	EUR100
Subscription fees, redemption fees and conversion fees	N/A	N/A	N/A	N/A	N/A
Eligible investors	Investors that are under a management or advisory mandate with the Investment Manager*				Other investors
Minimum total amount under a mandate with the Investment Manager *	N/A	EUR1mio	EUR2.5mio	EUR20mio	N/A

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

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

### Reference Currency of the Compartment

21.24 The Reference Currency is the EUR.

### Management of the Compartment

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

### Frequency of calculation of NAV

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

### Cut-off times

21.27 For any subscription, redemption or conversion request received by the Fund, prior to 1 p.m. Luxembourg time, on the Pricing Day, the Net Asset Value calculated based on the Calculation Day will be applicable.

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

### Payment of the subscription price or redemption price

21.29 The amount for the subscription shall be paid or transferred as further set out in the general section of the Prospectus within two Business Days after the Pricing Day.

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

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

**Investment management fee specific to this Compartment**

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

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

**Performance fee**

21.32 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value, equivalent to 5% of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter).

21.33 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

21.34 The performance fee is equal to the out performance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark for the calculation period in question.

21.35 The high water mark is defined as the greater of the following two figures:

(a) the last highest Net Asset Value per Share on which a performance fee has been paid; and

(b) the initial NAV per Share,

hereafter referred to as the “High Water Mark”.

21.36 The High Water Mark will be decreased by the dividends paid to Shareholders.

21.37 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

21.38 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains

which have not been realised may be taken into account in the calculation and payment of performance fees.

21.39 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

21.40 Calculation period shall correspond to each calendar year.

21.41 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.

21.42 For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2016.

21.43 The formula for the calculation of the performance fee is as follows:

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

#### **Initial Subscription Period**

21.44 From 23 May 2016 to 31 May 2016, at the Initial Subscription Price per Share as described under Section 21.2 above.

## 22. PROTEA FUND – DIVERSIFIED

### **Investors' profile**

- 22.1 The compartment Protea Fund - Diversified (the “Compartment”) is a low risk vehicle aiming to provide a stable capital growth. It may be suitable for investors who are seeking defensive approach offered through an exposure to UCITS eligible funds. Hence it requires an investment horizon of at least 5 years.

### **Objectives and investment policy**

- 22.2 The Compartment is a fund of funds, employing a multi-assets approach to offer an indirect exposure to various strategies as diversified as multi-assets allocation, flexible allocation, absolute return, long/short, global macro, CTA, risk premia through UCITS eligible funds.
- 22.3 In order to achieve its objective, the Compartment will mainly invest in eligible UCIs (UCITS and/or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus) having as main objective to invest or grant an exposure to the above-mentioned strategies. Due to the fact that the Compartment invests a substantial portion in other UCIs, Shareholders are exposed to a duplication of fees and charges. By derogation to Section 22.26 of the main body of the Prospectus, the total management fee (excluding any performance fee, if any) charged to this Compartment in accordance with Section 22.10 below and each of the target UCIs may exceed 2.5% of the relevant net assets under management. However, Compartment will not invest in target UCIs which charge a management fee in excess of 2.5% of their net assets.
- 22.4 The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, fund strategy nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency in the best interest of Shareholders.
- 22.5 On an ancillary basis (up to 49% of its net assets), the Compartment may invest in any other Eligible Investments, such as Transferable Securities, structured products (as detailed below), Money Market Instruments, cash and cash equivalents. The Compartment is not intended to invest in defaulted nor distressed securities.
- 22.6 The Compartment may invest up to 20% of its net assets in structured products provided that the underlying assets respects the investment policy and investment restrictions of the Compartment and complies with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation. Structured products include but are not limited to, notes, certificates, convertible and reverse convertible bonds and any other Transferable Securities whose returns are correlated with changes in, among others, equities, debts, basket of Transferable Securities, currencies, financial indices selected in accordance with article 9 of the Grand-Ducal Regulation. Within this limit, in case of opportunities and in compliance with the Grand-Ducal Regulation, the Compartment may invest up to 10% of its net assets in structured products (without embedded derivatives and which comply with article 41 of the 2010 Law) which give exposure to precious metals, such as exchange-traded commodities (ETCs) and exchange-traded funds (ETFs) (e.g. ETFs Gold Bullion securities with cash settlement). For the avoidance of doubt, the Investment Manager does not intend to invest in contingent convertible instruments.



- 22.7 For hedging and for investment purposes, the Compartment may use financial derivative instruments within the limits and descriptions set out in the Prospectus. However, the Investment Manager intends to use principally options and futures as well as forward exchange contracts on currencies.
- 22.8 If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCIs (UCITS and/or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus) and Money Market Instruments.

**Risk considerations specific to the Compartment**

- 22.9 The assets of the Compartment are subject to market fluctuations and the risks inherent to investments in UCIs as well as to market volatility linked to the investment in derivative instruments, Money Market Instruments and structured products. Furthermore, a risk of illiquidity of the Compartment may not be excluded. Finally, to the extent the Compartment may invest in securities of emerging markets, it may further be subject to risks related to such type of investments.
- 22.10 The attention of prospective investors is drawn to the fact that substantial Investments in target UCIs may embed a duplication of fees and expenses which will be charged to the Compartment. The accumulation of these costs may have a negative impact on the overall performance of the Compartment.
- 22.11 For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 headed "Risk considerations" above in the Prospectus.

**Global risk exposure**

- 22.12 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment's Net Asset Value.
- 22.13 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

**Performance**

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

**Income distribution policy**

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

**Categories of Shares**

22.16

Name of the Category of Shares	A	B
Currency	EUR	EUR
Initial Subscription Price	EUR 100	EUR 100
Minimum initial subscription amount	1 share	EUR 5,000
Eligible investors	All types of investors	All types of investors
Subscription fees, redemption fees and conversion fees	N/A	N/A

#### **Reference Currency of the Compartment**

22.17 The Reference Currency is the EUR.

#### **Management of the Compartment**

22.18 In relation to investment opportunities for the Compartment, the Management Company has appointed Arche Wealth Management S.A. whose registered office is at 37A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, as Investment Manager, under the term of an Investment Management Agreement.

#### **Frequency of calculation of NAV**

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

#### **Cut-off times**

22.20 For any subscription, redemption or conversion request received by the Fund, prior to 11 a.m. Luxembourg time, on the last Business Day prior to the Pricing Day, the Net Asset Value calculated based on the Pricing Day will be applicable.

22.21 For any subscription, redemption or conversion request arriving at the Fund after the deadline set at 11 a.m. Luxembourg time, on the last Business Day prior to the Pricing Day, the Net Asset Value applicable will be the Net Asset Value as calculated based on the following Pricing Day.

#### **Payment of the subscription price or redemption price**

22.22 The amount for the subscription shall be paid or transferred as further set out in the general section of the Prospectus within three Business Days from the relevant Valuation Day.

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

Cut-off	<p><b>Subscription:</b> 11 a.m. Luxembourg time, on the last Business Day prior to the Pricing Day.</p> <p><b>Redemption:</b> 11 a.m. Luxembourg time, on the last Business Day prior to the Pricing Day.</p>
Pricing Day	Each Business Day.
Calculation Day	One Business Day following the Pricing Day.
Settlement Day	<p><b>Subscription:</b> within three Business Days after the relevant Pricing Day.</p> <p><b>Redemption:</b> within three Business Days after the relevant Pricing Day.</p>

**Investment management fees specific to this Compartment**

- 22.24 The Fund will pay the Investment Manager management fees as described as follows:

*Investment management fees*

Class A	max.: 1% p.a. of the Compartment's net assets.
Class B	max.: 0.8% p.a. of the Compartment's net assets.

**Initial Subscription Period**

- 22.25 From 14 November 2016 to 18 November 2016, at the Initial Subscription Price per Share as described under Section 22.16 above.

## 23. PROTEA FUND – THE SEVEN PILLARS INCOME OPPORTUNITY FUND

### Investors' profile

- 23.1 The compartment Protea Fund – The Seven Pillars Income Opportunity Fund (the “Compartment”) is a medium risk vehicle aiming to provide steady capital appreciation by predominantly reinvesting income from a balanced bond and dividend paying equities portfolio. It may be suitable for investors who are seeking long term capital appreciation offered through an exposure to the equities markets and bonds markets with lower volatility than normally present in either market. Hence it requires an investment horizon of at least 3 years.

### Objectives and investment policy

- 23.2 The Compartment aims to achieve attractive risk-adjusted investment returns over time and deliver high quality long term capital growth and income across market cycles. The Investment Manager believes the balanced fund approach, with the ability to vary the asset allocation components between fixed income, equities and cash, will provide the opportunity to source income from the asset class offering the optimal risk/reward characteristics.
- 23.3 The Compartment's investment approach seeks fixed income-like returns with considerably lower risk under normal circumstances. A significant portion of the Compartment's assets will be invested in the securities of companies which meet all of the following criteria:
- (a) Companies with a long-term track record of generating above cost-of-capital returns across business cycles with limited revenue and profit volatility.
  - (b) Companies with conservative balance sheets, i.e. limited financial leverage.
  - (c) Companies whose managements have proven long-term credentials in terms strategic and operational decision-making as well as capital allocation.
  - (d) Companies whose equity trades at an attractive discount to intrinsic value and which have a long-term dividend-paying track record with current dividend yields at an attractive spread versus prevailing bond yields.
- 23.4 There can be no guarantee that the Compartment's objective will be achieved.
- 23.5 The Compartment will offer an exposure to the following asset classes/securities:
- (a) equities and equity related securities (such as closed-ended REITS (up to 15% of the Compartment's net assets), global depositary receipts, convertible bonds, reverse convertible bonds); and/or
  - (b) debt securities of any type (government and corporate), including Money Market Instruments; and/or
  - (c) cash.
- 23.6 In order to achieve its objective, the Compartment will mainly invest:

- (a) directly in the securities/asset classes mentioned in the previous paragraph; and/or
- (b) in financial derivative instruments having as underlying or offering an exposure to the above-mentioned asset classes (such as futures, options, total return swaps and credit default swaps, within the limits set out in Section 22 of the main body of the Prospectus).

23.7 The proportion of assets devoted to each asset class can vary over time.

23.8 The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector and/or in a single asset class.

Furthermore:

- (a) The Compartment's investments in units or shares of UCIs (UCITS and/or UCIs other than UCITS, referred to in Section 22.3(e) of the main body of the Prospectus), shall not exceed 10% of the net assets of the Compartment.
- (b) The Compartment may also invest up to 20% of its net assets in Contingent Convertible Bonds.
- (c) The Compartment may also invest up to 10% of its net assets in inflation linked securities.
- (d) The Compartment may also invest up to 10% of its net assets in Distressed Securities.
- (e) The Compartment can be exposed to investment grade and non-investment grade debt securities. However the lowest rating foreseen for investments is CCC- or unrated as measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager.
- (f) The Compartment may also invest up to 20% of its net assets in structured products (other than convertible debt securities), such as, but not limited to, participatory notes (P-notes), notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, equities, debt securities, basket of Transferable Securities, financial indices, currencies, at all time in compliance with the Grand-Ducal Regulation. The Investment Manager does not intend to invest in structured products with embedded derivatives (except convertible debt securities).

23.9 If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also hold, up to 100% of its net assets in liquid assets, such as cash deposits, money market UCIs (within the 10% limit above) and Money Market Instruments.

23.10 For hedging and for investment purposes, within the limits set out in Section 22 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are

contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision.

- 23.11 Nevertheless, in normal market conditions, the Investment Manager intends to use options and futures offering an exposure to equities or debt securities, total return swaps and credit default swaps, volatility financial derivative instruments, currency derivatives (such as forward foreign exchange contracts).
- 23.12 Total return swaps and credit default swaps will be used to a limited extend including to achieve the Compartment's investment policy.

#### **Risk considerations specific to the Compartment**

- 23.13 The assets of the Compartment are subject to market fluctuations and the risks inherent to any investment in bonds and equities.
- 23.14 In addition, the Compartment is subject to specific risks linked to the following investments:
- in Distressed Securities;
  - in Contigent Convertible Bonds; and
  - in high-yield securities.
- 23.15 Please refer to the Section 15 headed "Risk considerations" of the main body of the Prospectus for further details in this connection. In particular, please refer to the Sections 15.1, 15.2, 15.24 to 15.30 and 15.31.

#### **Global risk exposure**

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

#### **Performance**

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

#### **Income distribution policy**

- 23.18 This Compartment pursues an income accumulation policy.

#### **Categories of Shares**

- 23.19

Name of the Category of	A
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Share		
Currency	USD	EUR
Initial subscription price	USD100	EUR100
Eligible investors	All type of investors	All type of investors
Minimum initial subscription amount	USD100,000	The EUR equivalent of USD100,000
Subscription fees, redemption fees and conversion fees	N/A	N/A

### Reference Currency

- 23.20 The Reference Currency is the USD.
- 23.21 The Shares issued in a currency other than the Reference Currency are hedged.

### Management of the Compartment

- 23.22 The Management Company has appointed Seven Pillars Capital Management LLP, whose registered office is at 9th Floor, 1 Knightsbridge Green, London, England, as Investment Manager under the terms of an investment management agreement.

### Frequency of calculation of NAV

- 23.23 The Net Asset Value of the Compartment shall be calculated weekly on each Monday (the "Calculation Day"), on the basis of the pricing of the preceding Business Day (the "Pricing Day"). In the event that a Monday is not a Business Day, the Net Asset Value will be calculated the immediately following Business Day.

### Cut-off times

- 23.24 For any subscription, redemption or conversion request received by the Fund, prior to 4 p.m. Luxembourg time, on the Pricing Day, the Net Asset Value calculated based on the Calculation Day will be applicable.
- 23.25 For any subscription, redemption or conversion request arriving at the Fund after the deadline set at 4 p.m. Luxembourg time, on the Pricing Day, the Net Asset Value applicable will be the Net Asset Value as calculated based on the following Calculation Day.

### Payment of the subscription price or redemption price

- 23.26 The amount for the subscription shall be paid or transferred within three Business Days after the relevant Calculation Day.

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

Cut-off	Subscription: 4 p.m. Luxembourg time, on the Pricing Day.  Redemption: 4 p.m. Luxembourg time, three (3) Business Days before the Pricing Day.
Pricing Day	One Business Day before the Calculation Day.
Calculation Day	Each Monday.
Settlement Day	Subscription: within three Business Days after the relevant Calculation Day.  Redemption: within three Business Days after the relevant Calculation Day.

#### **Fees specific to this Compartment**

##### *Investment management fee*

- 23.28 The Fund will pay to the Investment Manager a management fee up to 1.25% p.a. in respect of class A Shares.
- 23.29 The investment management fee will be calculated on a monthly basis, in arrear, on the average net assets of the relevant Category of Shares.

##### *Performance fee*

- 23.30 The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value ("NAV"), equivalent to 10 % of the performance of the NAV per Share (measured against the High Water Mark (as defined below)) over the performance of the USD 3 month Libor during the relevant period (the "Hurdle").
- 23.31 The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.
- 23.32 The performance fee is equal to the outperformance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the High Water Mark plus the Hurdle for the calculation period.
- 23.33 The High Water Mark is defined as the greater of the following two figures:
- (a) the latest NAV per Share on which a performance fee has been paid; and



(b) the initial NAV per Share;

hereafter referred to as the “High Water Mark”.

- 23.34 The High Water Mark will be decreased by the dividends paid to Shareholders.
- 23.35 Provision will be made for this performance fee on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 23.36 If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.
- 23.37 In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per Share against the hurdle yield until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the High Water Mark adjusted by the hurdle yield at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 23.38 Calculation period shall correspond to each Business Year. For the first year, the calculation period will run as from the launching date of the Compartment to 31 December 2016.
- 23.39 Performance fees are payable within 20 Business Days following the closing of the yearly accounts.
- 23.40 The formula for the calculation of the performance fee is as follow:
- 23.41
- |                                  |   |                                       |
|----------------------------------|---|---------------------------------------|
| F                                | = | 0                                     |
|                                  |   | If $[(B / E - 1) - X] \leq 0$         |
| F                                | = | $[(B / E - 1) - X] * E * C * A$       |
|                                  |   | If $[(B / E - 1) - X] > 0$            |
| The new High Water Mark          | = | Max( E ; D) at the last end of period |
| Number of Shares outstanding     | = | A                                     |
| NAV per Share before performance | = | B                                     |
| Performance fee rate (10%)       | = | C                                     |
| NAV per Share after performance  | = | D                                     |

## PROTEA FUND

High Water Mark = E

Performance fees = F

Hurdle yield based on USD 3 month Libor compounded at each Valuation Day during the relevant period = X

### **Initial Subscription Period**

23.42 From 8 December 2016 to 15 December 2016, at the Initial Subscription Price per Share as described under Section 23.19 above.

## 24. PROTEA FUND – WEALTHEON WORLD EQUITY

### Investors' profile

- 24.1 The compartment Protea Fund – Wealtheon World Equity (the “Compartment”) is intended for investors with a medium to high risk tolerance and seeking a potentially higher yield by an exposure to world equity markets. The investment horizon should be considered long term.

### Objectives and investment policy

- 24.2 The Compartment aims to achieve long term capital growth by investing in the global equity markets, while targeting especially companies that the Investment Manager considers to have above average potential for growth and / or present attractive valuations. Investment in equity as per the foregoing may be made mainly directly and indirectly via Eligible UCIs (as defined below). Portfolio construction is based on a top down approach based on geographical, sectoral allocation combined with stock picking.
- 24.3 In order to achieve its objectives, the Compartment will mainly invest in equity and equity related securities worldwide (such as ordinary or preferred shares, certificates, ADR, GDR, notes, etc.):
- directly in the securities/asset classes mentioned above; and/or
  - UCIs that comply with article 41 (1) (e) of the 2010 Law (“Eligible UCIs”) having as main objective to invest in the above-mentioned asset classes.
- 24.4 The choice of investments will neither be limited by geographical area (including emerging markets), an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country and/or in a single economic sector and/or in a single currency.
- 24.5 Up to 49% of its net assets, the Compartment may invest in any other type of eligible assets, such as corporate or sovereign debt securities, structured products, REITS, Money Market Instruments, cash and cash equivalents or Eligible UCIs investing in above mentioned asset classes (each, as detailed and subject to the restrictions below).
- 24.6 The Compartment's investments in Russia, other than those which are listed on the Moscow Exchange (which is recognised as Regulated Market), combined with investments that are made in other assets as referred in Section 22.3 (i) of the main body of the Prospectus shall not exceed 10% of the net assets of the Compartment.
- 24.7 However, the Compartment may invest directly in the assets listed below, subject to the following limits:
- Convertible and Contingent Convertible Bonds up to 10% of the net assets;
  - Investment in closed-ended collective real estate investments, notably closed-ended REITS, closed-ended real estate investment funds and closed-ended real estate investment companies will not exceed 10% of the net assets.

- Structured products up to 20% of the net assets provided that the underlying respects the investment policy and investment restrictions and complies with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation, such as but not limited to notes, certificates, any other transferable securities whose returns are correlated with changes in, among others, equities, debts, basket of transferable securities, financial indices selected in accordance with article 9 of the Grand-Ducal Regulation, currency at all times in compliance with the Grand-Ducal Regulation. Within this limit, in case of opportunities and in compliance with the Grand-Ducal Regulation, the Compartment may invest in structured products without embedded derivatives which comply with article 41 of the 2010 Law, correlated with changes in commodities and precious metals such as ETFs Gold Bullion securities with cash settlement. Those investments may not be used to elude the investment policy of the Compartment;
- In normal market conditions, investments in debt securities and interest bearing instruments (including money market instruments) will be limited to 25% of the net assets with a minimum credit rating of investment grade (as measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager in the absence of any official rating). In case of dual rating, the higher rating shall apply.
- Within the limits set out in the main body of the Prospectus, the investment policy can be achieved indirectly via investments in Eligible UCIs. Total investment in Eligible UCIs will represent less than 50% of the Compartment's net assets. Due to the fact that the Compartment may invest a substantial portion in other UCIs, the Shareholder is exposed to a possible duplication of fees and charges. However, the maximum percentage of the fixed management fee at the level of the target UCIs will be 2%.

- 24.8 If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also hold, up to 100% of its net assets, liquidities, such as cash deposits, money market UCIs and Money Market Instruments.
- 24.9 For hedging and for investment purposes, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC, provided they are contracted with leading financial institutions specialised in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, Transferable Securities, basket of Transferable Securities, indices (including volatility indices) and UCIs.
- 24.10 However, the Investment Manager intends to use principally options and futures and forward exchange contracts on currencies.
- 24.11 The Compartment does not intend to use total return swaps, credit default swaps, contract for difference and securities lending, reverse repurchase and repurchase agreement transactions or sales with right of repurchase transactions.

### **Risk considerations specific to the Compartment**

- 24.12 The Compartment is subject to the specific risks linked to investments in equity securities and UCIs, to interest rates risks linked to investments in debt securities as well as risks linked to the use of financial derivative instruments and Contingent Convertible Bonds.
- 24.13 For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 “Risk considerations” above in the Prospectus.
- 24.14 Investors should be aware that, due to the political and economic situations in emerging countries, investment in this Compartment presents greater risk and is intended only for investors who are able to bear and assume this increased risk.

### **Global risk exposure**

- 24.15 The Compartment’s global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment’s Net Asset Value.
- 24.16 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### **Performance**

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

### **Income distribution policy**

- 24.18 No dividend shall be paid out to Shareholders of this Compartment. However, the Directors reserve their right to revise this policy at their discretion.

### **Categories of Shares**

24.19

Name of the category of Shares	Class A	Class B	Class C	Class D	Class E
Currency	EUR	EUR	EUR	EUR	EUR
Initial subscription price	EUR 75,-	EUR 750,-	EUR 750,-	EUR 750,-	EUR 750,-
Eligible investors	Investors not under a discretionary	Investors under a discretionary	Investors under a discretionary	Investors under a discretionary	Investors not under a discretionary

	management or advisory mandate with any entity from Wealtheon Group	management or advisory mandate with any entity from Wealtheon Group.	management or advisory mandate with any entity from Wealtheon Group.	management or advisory mandate with any entity from Wealtheon Group.	management mandate with any entity from Wealtheon Group.
Minimum initial subscription	N/A	An amount of up to EUR 2 million	An amount between EUR 2 million and EUR 10 million	An amount of at least EUR 10 million	An amount of at least EUR 10 million
Minimum holding amount	N/A	An amount of up to EUR 2 million	An amount between EUR 2 million and EUR 10 million	An amount of at least EUR 10 million	An amount of at least EUR 10 million
Distribution	ACC <sup>3</sup>	ACC	ACC	ACC	ACC

24.20 In respect of categories of Class A, B, C, D and E Shares, in case where, further to one or more subsequent subscriptions (but not, for the avoidance of doubt, as a result of an increase of the Compartment's Net Asset Value), a Shareholder were to hold an investment in a particular category of Shares in excess of the minimum holding amount applicable to another category of Shares with a lower level of management fee to that applicable to the Shares held by that Shareholder, this Shareholder may request the conversion free of charge of its Shares into Shares of such other category of Shares. These conversion requests may be addressed once a year and must be received by the Global Distributor (as defined below) by the cut-off applicable in respect of the last Valuation Day of the financial year.

24.21 In respect of categories of Class A, B, C, D and E Shares, in case where, further to one or more redemptions (but not, for the avoidance of doubt, as a result of a decrease of the Compartment's Net Asset Value), a Shareholder were to hold an investment in a particular category of Shares which is below the minimum holding amount applicable to the category of Shares held by that Shareholder, the Global Distributor will inform this Shareholder thirty (30) Business Days prior to the end of the relevant financial year that its Shares will, unless its investment in the Compartment is brought above the minimum holding amount as a result of one or more subsequent subscriptions before the end of the relevant financial year, be converted free of charge into Shares of the category of Shares corresponding to the relevant minimum holding amount on the last Valuation Day of the financial year.

### Reference Currency

24.22 The Reference Currency is the EUR.

<sup>3</sup> "ACC" is an acronym for "accumulation"

### Management of the Compartment

- 24.23 In relation to investment opportunities for the Compartment, the Management Company has appointed Wealtheon S.A., whose registered office is at Chaussée de Waterloo 1135, B-1180 Brussels, Belgium, as Investment Manager, under the terms of an investment management agreement. The Investment Manager will also act as global distributor of the Compartment (the “Global Distributor”).
- 24.24 The Investment Manager is an independent wealth manager incorporated in Brussels, Belgium, since February 2008.
- 24.25 The Investment Manager is regulated by the FSMA (Belgium), and offers as an independent asset manager a comprehensive range of investment management services in different European Countries. The Investment Manager is audited by Callens, Pirenne & Co, CVBA, as external auditor.

### Frequency of calculation of NAV

- 24.26 The Net Asset Value of the Compartment shall be calculated daily on each Business Day (the “Calculation Day”), on the basis of the pricing of the preceding Business Day (the “Valuation Day”).

### Payment of the subscription price or redemption price

- 24.27 For the avoidance of doubt, no sales commissions will apply.
- 24.28 By way of derogation from the main body of the Prospectus, the amount for the subscription shall be paid or transferred within two Business Days counting from the relevant Valuation Day as set out below.
- 24.29 By way of derogation from the main body of Prospectus, redemption proceeds will be paid within two (2) Business Days following the relevant Valuation Day.

Cut-off	Subscription: prior to 2 p.m., on the Business Day before the relevant Valuation Day.  Redemption: prior to 2 p.m., on the Business Day before the relevant Valuation Day.
Valuation Day (pricing day)	The Business Day preceding the Calculation Day.
Calculation Day	The Luxembourg Business Day following the Valuation Day.

Settlement Day	<p>Subscription: within two (2) Business Days after the relevant Valuation Day.</p> <p>Redemption: within two (2) Business Days after the relevant Valuation Day.</p>
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### **Fees specific to this Compartment**

#### *Investment management fee*

24.30 The Fund will pay to the Investment Manager a management fee as follows:

Class A	Up to 1.1% p.a.
Class B	Up to 0.85% p.a.
Class C	Up to 0.75% p.a.
Class D	Up to 0.50% p.a.
Class E	Up to 0.60% p.a.

24.31 The investment management fee will be calculated on a quarterly basis, in arrear, on the average net assets of the relevant category of Shares of the Compartment.

### **Initial Subscription Period**

24.32 From 1 February 2017 to 14 February 2017, at the Initial Subscription Price per Share as described under Section 24.19 above.



## 25. PROTEA FUND – PULSAR STABLE RETURN FUND

### **Investors' profile**

- 25.1 The compartment Protea Fund – PULSAR Stable Return Fund (the “Compartment”) is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through an exposure to the equities markets and bonds markets. Hence it requires an investment horizon of at least 5 years.

### **Objectives and investment policy**

- 25.2 The Compartment is a fund of funds, employing a multi-assets approach to offer an indirect exposure to a balanced portfolio of debt securities (sovereign debt and corporate debt) as well as Money Market Instruments, equities and equity related securities.
- 25.3 The objective of the Compartment is to achieve a balanced portfolio through investments in funds. The Compartment may be exposed indirectly and to a lesser extent directly to rated and unrated debt securities. The Compartment may invest up to 49% of its net assets in unrated or non-investment grade debt securities. Credit ratings referred above are those measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager in the absence of any official rating. In case of dual official rating by any two any leading credit rating agencies, the higher rating shall apply. The lowest rating foreseen for investments in debt securities with a credit rating is CCC-. The Compartment will not invest in defaulted nor distressed securities.
- 25.4 In order to achieve its objective, the Compartment will mainly invest in eligible UCIs (UCITS and/or other UCIs referred to in Section 21.3(e) of the main body of the Prospectus) having as main objective to invest or grant an exposure to the above-mentioned asset classes. Due to the fact that the Compartment invests a substantial portion in other UCIs, the Shareholders are exposed to a possible duplication of fees and charges. However, by way of derogation from Section 22.26 of the main body of the Prospectus, the maximum percentage of the fixed management fee at the level of the target UCIs will be 2%.
- 25.5 The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, credit ratings nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency in the best interest of Shareholders.
- 25.6 Up to 49% of its net assets, the Compartment may invest in any other type of UCIs (having as underlying assets other than those mentioned in the section 1.3 above), other Eligible Investments such as direct investments in transferable securities (equities, equity related securities, debt, money market instruments, cash and cash equivalents).
- 25.7 For hedging and for investment purposes, the Compartment may use financial derivative instruments within the limits and descriptions set out in the Prospectus. However, the Investment Manager intends to use principally options and futures and forward exchange contracts on currencies.

- 25.8 If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCIs (UCITS and/or other UCIs referred to in Section 21.3(e) of the main body of the Prospectus) and Money Market Instruments.

#### **Risk considerations specific to the Compartment**

- 25.9 The Compartment is subject to the specific risks linked to (i) investments in equity securities and UCIs, (ii) to interest rates risks linked to investments in debt securities, (iii) risks linked to the use of financial derivative instruments and (iv) risks linked to investments in high yield securities. To the extent the Compartment may invest in securities of emerging markets, it may further be subject to risks related to such type of investments.
- 25.10 In addition, the attention of prospective investors is drawn to the fact that substantial Investments in target UCIs may embed a duplication of fees and expenses which will be charged to the Compartment. The accumulation of these costs may have a negative impact on the overall performance of the Compartment.
- 25.11 For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 “Risk considerations” above in the Prospectus.

#### **Global risk exposure**

- 25.12 The Compartment’s global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment’s Net Asset Value.
- 25.13 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

#### **Performance**

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

#### **Income distribution policy**

- 25.15 No dividend shall be paid out to Shareholders of this Compartment. However, the Directors reserve their right to revise this policy at their discretion.

#### **Categories of Shares**

25.16

Denomination	Class I	Class A	Class D
Reference currencies	EUR, USD, GBP,	EUR, USD, GBP,	EUR, USD, GBP,

of the Categories of Shares	CHF, HKD, SGD	CHF, HKD, SGD	CHF, HKD, SGD
Initial subscription price	100 in the relevant reference currency		
Eligible investors	Institutional Investors only	Retail Investors only	Retail Investors only
Minimum initial subscription	EUR10,000 or the equivalent in the reference currency of the category of Shares	EUR100 or the equivalent in the reference currency of the category of Shares	EUR100 or the equivalent in the reference currency of the category of Shares
Minimum holding amount	EUR10,000 or the equivalent in the reference currency of the Category of Shares	EUR100 or the equivalent in the reference currency of the Category of Shares	EUR100 or the equivalent in the reference currency of the Category of Shares
Minimum subsequent subscription	N/A	N/A	N/A
Distribution	ACC <sup>4</sup>	ACC	ACC
Subscription Fee	N/A	Up to 5%	N/A
Redemption Fee	Up to 0.5%	N/A	N/A

### Reference Currency

25.17 The Reference Currency is the EUR.

25.18 In relation to investments that are denominated in a currency other than (i) the Reference Currency or (ii) the currency of any particular class of Shares, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

### Management of the Compartment

25.19 In relation to investment opportunities for the Compartment, the Management Company has appointed C-Quadrat Asset Management (UK) LLP, whose registered office is at 1, Vine Street, London W1J 0AH, United Kingdom, as Investment Manager under the terms of an investment management agreement.

<sup>4</sup> "ACC" is an acronym for "accumulation"

### Frequency of calculation of NAV

- 25.20 The Net Asset Value of the Compartment shall be calculated daily on each Business Day (the “Calculation Day”), on the basis of the pricing of the preceding Business Day (the “Valuation Day”).

### Payment of the subscription price or redemption price

- 25.21 By way of derogation from the main body of the Prospectus, the amount for the subscription shall be paid or transferred within two Business Days counting from the relevant Valuation Day as set out below.
- 25.22 By way of derogation from the main body of Prospectus, redemption proceeds will be paid within two (2) Business Days following the relevant Valuation Day.

Cut-off	Subscription: prior to 4 p.m., on the Business Day before the relevant Valuation Day.  Redemption: prior to 4 p.m., on the Business Day before the relevant Valuation Day.
Valuation Day (pricing day)	The Business Day preceding the Calculation Day.
Calculation Day	The Luxembourg Business Day following the Valuation Day.
Settlement Day	Subscription: within two (2) Business Days after the relevant Valuation Day.  Redemption: within two (2) Business Days after the relevant Valuation Day.

### Fees specific to this Compartment

#### *Investment management fee*

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

Class I	0.75% p.a.
Class A	1.50% p.a.

**PROTEA FUND**

Class D	0.85% p.a.
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- 25.24 The investment management fee will be calculated on a monthly basis, in arrear, on the average net assets of the relevant category of Shares of the Compartment.

**Initial Subscription Period**

- 25.25 From 1 February 2017 to 10 February 2017, at the Initial Subscription Price per Share as described under Section 25.16 above.

## 26. PROTEA FUND – FIXED INCOME KEY SOLUTIONS FUND

### **Investors' profile**

- 26.1 The compartment Protea Fund - Fixed Income Key Solutions Fund (the “Compartment”) is a medium risk vehicle aiming to provide preservation of capital. The Compartment is suitable for investors for whom preservation of capital is their primary objective over the long term. The investment horizon should be at least 3 years.

### **Objectives and investment policy**

- 26.2 The Compartment aims at offering exposure to the debt securities market to investors with a medium risk profile and for whom the preservation of capital over time is the main objective. There can be no guarantee that the Compartment's objective will be achieved.
- 26.3 The Compartment will offer an exposure to debt securities (such as fixed and floating rate instruments, convertible bonds), including Money Market Instruments:
- (a) issued by corporate or sovereign issuers, and
  - (b) with an “investment grade” or “non-investment grade” credit rating (or equivalent) assigned to the issue or the issuer, as defined by at least one leading credit rating agency.
- 26.4 In order to achieve its objective, the Compartment will mainly invest:
- (a) directly in the securities mentioned under Section 26.3 above; and/or
  - (b) in undertakings for collective investment (UCIs: UCITS and/or other UCIs referred to in Section 22.3(e) of the main body of the Prospectus) having as main objective to invest in the securities mentioned under Section 26.3 above.
- 26.5 The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, currencies in which investments will be denominated, nor in terms of credit rating of the debt securities (including non-rated debt securities). However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.
- 26.6 On an ancillary basis, the Compartment may hold cash and cash equivalents.
- 26.7 Furthermore, the Compartment may invest up to 20% of its net assets in Contingent Convertible Bonds.
- 26.8 It is understood that:
- (a) the Compartment can be exposed to non-investment grade debt securities (up to 40% of its net assets), including Distressed Securities (up to 10% of its net assets);
  - (b) investment grade debt securities may be subject to the risk of being downgraded to non-investment grade debt securities. In the event of downgrading in the credit ratings of a security or an issuer, the Compartment may, at the discretion of the

Investment Manager, and in the best interests of the Compartment's shareholders, continue to hold those debt securities which have been downgraded provided that in any case the Compartment's maximum exposure to Distressed Securities will be limited to a maximum of 10% of its net assets; and

- (c) the maximum percentage of the fixed management fee at the level of the target UCIs will be 1.5%.

- 26.9 If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also hold, up to 100% of its net assets in liquid assets, such as cash deposits, money market UCIs and Money Market Instruments.
- 26.10 For hedging and for investment purposes, within the limits set out in Section 22 "Investment restrictions" in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.
- 26.11 Nevertheless, in normal market conditions, the Investment Manager intends to use futures offering an exposure to debt securities, credit default swaps and currency derivatives (such as forward foreign exchange contracts).

#### **Risk considerations specific to the Compartment**

- 26.12 The assets of the Compartment are subject to market fluctuations and the risks inherent to investments in UCIs as well as investment in bonds and to market volatility linked to the investment in derivative instruments and Money Market Instruments. Furthermore, a risk of illiquidity of the Compartment may not be excluded. In addition, to the extent the Compartment may invest in securities of emerging markets, it may further be subject to risks related to such type of investments.
- 26.13 The attention of prospective investors is also drawn to the fact that substantial investments in target UCIs may embed a duplication of fees and expenses which will be charged to the Compartment. The accumulation of these costs may have a negative impact on the overall performance of the Compartment.
- 26.14 Finally, the Compartment is subject to specific risks linked to the following investments in:
  - (a) Distressed Securities; and
  - (b) Contingent Convertible Bonds.
- 26.15 For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 "Risk considerations" of the main body of the Prospectus.

### Global risk exposure

- 26.16 The global risk exposure of the Compartment is monitored by the commitment approach. This approach measures the global exposure related to positions on financial derivatives instruments which may not exceed the Compartment's Net Asset Value.
- 26.17 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### Performance

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

### Income distribution policy

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

### Categories of Shares

26.20

	I			R			M		
Class of Shares	EUR	USD	CHF	EUR	USD	CHF	EUR	USD	CHF
Initial subscription price	USD100 or equivalent			USD100 or equivalent			USD100 or equivalent		
Eligible investors	Institutional Investors only			All types of investors			Investors selected by the Investment Manager		
Minimum initial subscription	N/A			N/A			N/A		

### Reference Currency

- 26.21 The Reference Currency is the USD.
- 26.22 The EUR Sub-Class Shares and the CHF Sub-Class Shares (the "Hedged Shares") aim to hedge to a large extent the exchange risk EUR/USD and CHF/USD.



### Management of the Compartment

- 26.23 The Management Company has appointed Hyposwiss Private Bank Genève S.A. whose registered office is at 3, Rue du Général-Dufour, CHF-1204 Genève, Switzerland, as Investment Manager, under the term of an investment management agreement.

### Frequency of calculation of NAV

- 26.24 The Net Asset Value of the Compartment shall be calculated weekly on each Friday (the “Calculation Day”), on the basis of the pricing of the preceding Business Day (the “Pricing Day”). In the event that a Friday is not a Business Day, the Net Asset Value of the Compartment will be calculated the immediately following Business Day.
- 26.25 For information purposes only, the NAV will be calculated as of the last calendar day of the month (the “Non Tradable NAV”). Subscription, redemptions and conversions cannot be accepted and dealt on a Non Tradable NAV.

### Cut-off times

- 26.26 For any subscription, redemption or conversion request received by the Fund, prior to 12 p.m. (noon) Luxembourg time, on the last Business Day prior to the Pricing Day, the Net Asset Value calculated based on the Pricing Day will be applicable.
- 26.27 For any subscription, redemption or conversion request arriving at the Fund after the deadline set at 12 p.m. (noon) Luxembourg time, on the last Business Day prior to the Pricing Day, the Net Asset Value applicable will be the Net Asset Value as calculated based on the following Pricing Day.

### Conversion

- 26.28 Subject to the eligibility criteria for each category of Shares, Shareholders may request the conversion of all or part of their Shares into another category of Shares within the Compartment without additional costs. Conversions into Shares of another Compartment are subject to Section 9 of the main body of the Prospectus.

### Payment of the subscription price or redemption price

- 26.29 The amount for the subscription shall be paid or transferred within two Business Days from the relevant Valuation Day.
- 26.30 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within three Business Days from the relevant Valuation Day.

Cut-off	<b>Subscription:</b> 12 p.m. (noon) Luxembourg time, one Business Day before the Pricing Day  <b>Redemption:</b> 12 p.m. (noon) Luxembourg time, one Business Day before the Pricing Day
Pricing Day	One Business Day before the Calculation Day

Calculation Day	Each Friday
Settlement Day	<p><b>Subscription:</b> within two Business Days after the relevant Pricing Day</p> <p><b>Redemption:</b> within three Business Days after the relevant Pricing Day</p>

**Management fee and performance fee specific to this Compartment**

26.31 The Fund will pay to the Investment Manager a management fee as described as follows:

*Investment management fees*

Class I	max.: 0.60% p.a.
Class R	max.: 0.60% p.a.
Class M	max.: 0.60% p.a.

26.32 The investment management fee will be payable quarterly in arrears, based on the quarterly average net assets of the relevant category of Shares.

**Initial Subscription Period**

26.33 From 6 March 2017 to 10 March 2017, at the Initial Subscription Price per Share as described under Section 26.20 above.

## 27. PROTEA FUND – MRB CONVERTIBLE BONDS FUND

### Investors' profile

- 27.1 The compartment Protea Fund – MRB Convertible Bonds Fund (the “Compartment”) is intended for dynamic investors who are driven by capital gains within of horizon of five years, and who have a high tolerance to risk and are able to absorb temporary, even if substantial, losses. The Compartment is not oriented towards investors who are looking for a short term speculative investment, or might need their capital back in the short term.

### Objectives and investment policy

- 27.2 The investment objective of the Compartment is to achieve long-term asset-value growth, mainly through investments in convertible instruments. Such investment policy is implemented by giving special attention to the risk – reward-balance offered by an investment, its capital protection and its liquidity.
- 27.3 The Compartment invests at least two third of its net assets in a global debt portfolio including any type of convertible bonds and other similar debt securities whose characteristics expose them to fluctuations in underlying equities (such as fixed and/or floating or index rate bonds, bonds convertible into equities, bonds redeemable into equities, exchangeable bonds, synthetic convertible bonds (segregated purchase of bonds and options or convertible bonds and options), convertibles sukuks (as detailed below), Rule 144A convertible securities (according to the limit below), equity warrant bonds, redeemable equity warrant bonds, bonds convertible into new or existing equities). If the Investment Manager considers that investment opportunities in convertibles are not satisfactory, the Compartment may also invest in the best interest of the Shareholders in Money Market Instruments and/or cash equivalent debt securities.
- 27.4 The Compartment may invest up to one third of its net assets in any other type of eligible assets such as equities and Eligible UCIs (as defined below) (within the 10% limit below).
- 27.5 The choice of investments will neither be limited by geographic area (including emerging countries), or an economic sector, nor in terms of currencies in which investments will be denominated. Furthermore, depending on financial market conditions, a particular focus can be placed on a single country and/or on a single economic sector and/or on a single currency.
- 27.6 The Compartment is also subject to the following investment restrictions:
- The Compartment may invest in debt securities from issuers with any credit rating, i.e., investment grade, high-yield and unrated (as measured by leading credit agencies or with quality considered as equivalent by the Investment Manager in the absence of any official rating). It is understood that the Investment Manager does not rely solely or mechanically on credit ratings of credit rating agencies and also applies its own analysis of the creditworthiness of issuers or debt issues.
  - The Compartment may invest up to 100% of its net assets in high yield and unrated securities/issuers. When investing in unrated debt securities/issuers, the lowest internal rating applied, at the time of purchase, by the Investment Manager is such that no added debt securities should lead to more than 10% of its net assets having an

equivalent rating below B- , as defined by one of the leading credit agencies or, in the absence of a leading agency's rating, its own analysis of the creditworthiness of issuers or debt issues.

- The Compartment may invest up to 10% of its net assets in debt from distressed or defaulted issuers. The Investment Manager may keep downgraded securities and will sell them on a discretionary basis, according to the conditions on the relevant market and the Investment Manager's related forecasts (within the 10% limit above).
- The Compartment cannot invest more than 10% of its net assets in Contingent Convertible Bonds.
- Convertible Sukuks are convertible bonds (Mudarabah, Wakalah) issued by entities incorporated in countries following Sharia'h law (Malaysia, Indonesia, UAE, Saudi Arabia, etc.), entities which often use a legal structure called Sukuk. The Sukuk concept in general implies that a bond, instead of paying interest, pays participation to the profit of an investment, profit which is usually computed with reference to an interest rate. Therefore the interest payment of such bond could be forfeited without creating a default, in case the underlying investment is not profitable. The principal repayment is however still due at maturity. It is not the intention of the Sub-Fund to invest more than 10% of its net assets into convertible bonds issued under a Sukuk structure.
- Rule 144A Securities, which can be invested into by the Compartment under the conditions that:
  - (a) such securities respect the article 2 of the Grand-Ducal Regulation,
  - (b) such securities are either admitted to official listing on a Regulated Market or are dealt in on an Other Regulated Market which operates regularly and is recognised and open to the public,
  - (c) such securities are recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year. The securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue;
  - (d) Investments in Rule 144A Securities, which would not comply with any of the above conditions, shall, together with the transferable securities eligible under section 22.4 (b) of Chapter 22 "Investment Restrictions" of this Prospectus, not exceed 10% of the Sub-fund's net assets.
- The Compartment may invest up to 10% of its net assets in UCIs that comply with article 41 (1) (e) of the 2010 Law ("Eligible UCIs").
- The Compartment may invest up to 10% of its net assets in structured products provided that the underlying respects the investment policy and investment restrictions and complies with Article 41 of the 2010 Law and Article 2 of the Grand-Ducal Regulation of 2008. Structured products include, but are not limited to, notes, certificates, and any other Transferable Securities whose returns are correlated with changes in, among others, equities, debts, currencies, basket of Transferable Securities,

financial indices at all-time selected in accordance with the Grand-Ducal Regulation of 2008. For the avoidance of doubt, convertible investments listed in the main policy above are not part of this limit.

- 27.7 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also, on a temporary basis and for defensive purposes, hold up to 100% of its net assets in liquidities, such as cash deposits, money market UCIs (within the above-mentioned 10% limit) and Money Market Instruments.
- 27.8 For hedging and investment purposes, within the limits set out in the Investment Restrictions, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or OTC Derivatives provided they are contracted with leading financial institutions specialised in this type of transactions. In particular, the Sub-fund may take exposure through any financial derivative instruments such as but not limited to warrants, futures, swaps, options and forwards on any underlying in line with the 2010 Act and with the Investment Policy, including but not limited to, currencies, interest rates, Transferable Securities, basket of Transferable Securities, indices (including volatility index) and UCIs.
- 27.9 In normal market conditions, the Investment Manager intends to use options, forwards, swaps and futures offering an exposure to Transferable Securities (among others single stocks, ...), financial indices (including volatility index), interest rates, and/or currency derivatives (such as forward foreign exchange contracts or currency swaps).
- 27.10 The aggregate sum of commitment arising from the use of these instruments shall not exceed the value of the Compartment's net assets.

#### **Risk considerations specific to the Compartment**

- 27.11 The Compartment is subject to the specific risks linked to investments in equity securities and UCIs as well as to interest rates risks linked to investments in debt securities.
- 27.12 In particular, the Compartment is subject to specific risks linked to the following investments:
- in Distressed Securities;
  - in high-yield securities;
  - unrated issuers and securities with equivalent credit risks to those rated as high-yield by rating agencies; and
  - Convertible Sukuks.
- 27.13 For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 "Risk considerations" above in the Prospectus.

#### **Global risk exposure**

- 27.14 The Compartment's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment's Net Asset Value.

- 27.15 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

### Performance

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

### Income distribution policy

- 27.17 No dividend shall be paid out to Shareholders of this Compartment. However, the Directors reserve their right to revise this policy at their discretion.

### Categories of Shares

27.18

Name of the category of Shares	Class A EUR	Class A CHF (hedged)	Class A USD (hedged)	Class B EUR	Class B CHF (hedged)	Class B USD (hedged)
Currency	EUR	CHF	USD	EUR	CHF	USD
Initial subscription price	EUR1,000	CHF1,000	USD1,000	EUR1,000	CHF1,000	USD1,000
Eligible investors	Institutional and retail investors	Institutional and retail investors	Institutional and retail investors	Institutional and retail investors selected and/or approved by the Investment Manager	Institutional and retail investors selected and/or approved by the Investment Manager	Institutional and retail investors selected and/or approved by the Investment Manager
Minimum subscription amount	N/A	N/A	N/A	EUR 100,000*	CHF 100,000*	USD 100,000*
Distribution	ACC <sup>5</sup>	ACC	ACC	ACC	ACC	ACC

\* Investors will commit to reach the minimum subscription amount by the end of a one (1) year period starting from the initial subscription. If the minimum subscription amount is not reached by the end of that period, the relevant investor's Shares may be converted into the corresponding Class A Category of Shares.

<sup>5</sup> "ACC" is an acronym for "accumulation"

### Reference Currency

27.19 The Reference Currency is the EUR.

### Management of the Compartment

27.20 In relation to investment opportunities for the Compartment, the Management Company has MRB Vermögensverwaltung AG, Fraumünsterstrasse 11, 8001 Zürich, Switzerland, as Investment Manager, under the terms of an investment management agreement.

27.21 The Investment Manager is regulated by the FINMA (Switzerland).

### Frequency of calculation of NAV

27.22 The Net Asset Value of the Compartment shall be calculated daily on each Business Day (the "Calculation Day"), on the basis of the pricing of the preceding Business Day (the "Valuation Day").

### Payment of the subscription price or redemption price

27.23 By way of derogation from the main body of the Prospectus, the amount for the subscription shall be paid or transferred within three (3) Business Days counting from the relevant Valuation Day as set out below.

27.24 By way of derogation from the main body of Prospectus, redemption proceeds will be paid within three (3) Business Days following the relevant Valuation Day.

Cut-off	Subscription: prior to 2 p.m., on the Business Day before the relevant Valuation Day.  Redemption: prior to 2 p.m., on the Business Day before the relevant Valuation Day.
Valuation Day (pricing day)	The Business Day preceding the Calculation Day.
Calculation Day	The Luxembourg Business Day following the Valuation Day.
Settlement Day	Subscription: within three (3) Business Days after the relevant Valuation Day.  Redemption: within three (3) Business Days after the relevant Valuation Day.

### Conversion

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

**Fees specific to this Compartment**

*Investment management fee*

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

Class A (EUR, CHF, USD)	Up to 1.35% p.a.
Class B (EUR, CHF, USD)	Up to 1.00% p.a.

27.27 The investment management fee will be calculated on a monthly basis, in arrear, on the average net assets of the relevant category of Shares of the Compartment.

**Initial Subscription Period**

27.28 From 28 April 2017 to 5 May 2017, at the Initial Subscription Price per Share as described under Section 27.18 above.



## 28. PROTEA FUND – G2 US ALPHA

### **Investors' profile**

- 28.1 The Protea Fund – G2 US Alpha (the “Compartment”) is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking medium to long term growth potential offered through investment in U.S. equities.

### **Objectives and investment policy**

- 28.2 The Compartment's objective is to provide capital appreciation mainly through investments in U.S. equities and in UCIs offering an exposure to US equities. To achieve this, the Compartment will use a systematic (computer driven) approach of investing in U.S. equity securities and in Eligible UCIs (as defined below) with the purpose to exploit persistent market inefficiencies over a short (6 months) to medium (18 months) time horizon.

- 28.3 The Compartment will mainly invest:

- directly in equities and equity related securities (such as depositary receipts) of companies which are domiciled, headquartered or exercise their main activity in the United States of America; and/or
- in UCITS and/or other UCIs that comply with article 41 (1) (e) of the 2010 Law (“Eligible UCIs”) (such as but not limited to trackers or exchange traded funds and other UCIs) having as main objective to invest or grant exposure to the above-mentioned asset class (within the below mentioned 10% limit in UCITS and/or other UCIs).

- 28.4 On an ancillary basis (up to 49% of the Compartment's net assets), within the limits provided by the 2010 Law, the Compartment may invest in any other Eligible Investments, such as in equities other than the above mentioned, corporate or sovereign debt securities, REITs, Money Market Instruments, cash and cash equivalents or other Eligible UCIs investing in above mentioned asset classes (each as detailed and subject to the restrictions below).

- 28.5 However, the Compartment may invest directly in the assets listed below, subject to the following limits:

- Investments in units or shares in Eligible UCIs limited to a maximum of 10% of the Compartment's net assets.
- Investments in closed-ended collective real estate investments, notably closed-ended REITs, closed-ended real estate investment UCIs and closed-ended real estate investment companies will not exceed 10% of the Compartment's net assets.

- 28.6 Except the focus on the U.S.A., the choice of investments will not be limited by economic sector, nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single currency and/or in a single economic sector.

- 28.7 For hedging and for any other purposes, within the limits set out in the investment restrictions in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with

leading financial institutions specialised in this type of transactions and subject to regulatory supervision. In particular, the Investment Manager intends to use principally options, futures, contract for differences (CFD) offering an exposure to U.S. equities and forward exchange contracts on currencies.

28.8 The Compartment does not intend to use total return swaps, credit default swaps, and securities lending, reverse repurchase and repurchase agreement transactions or sales with right of repurchase transactions.

28.9 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may, for defensive purposes hold up to 100% of its net assets, in cash and cash equivalents, cash deposits, money market UCIs and Money Market Instruments.

#### **Risk considerations specific to the Compartment**

28.10 The Compartment is subject to the specific risks linked to investments in equity securities and UCIs, and to market volatility linked to the investment in financial derivative instruments.

28.11 For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 "Risk considerations" above in the Prospectus.

#### **Global risk exposure**

28.12 The Compartment's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment's Net Asset Value.

28.13 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

#### **Performance**

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

#### **Income distribution policy**

28.15 No dividend shall be paid out to Shareholders of this Compartment. However, the Directors reserve their right to revise this policy at their discretion.

#### **Categories of Shares**

28.16

Name of the category of Shares	Class II - USD	Class IS - USD	Class IR - USD
Currency	USD	USD	USD

**PROTEA FUND**

Initial subscription price	USD 100	USD 100	USD 100
Eligible investors	Institutional Investors	Institutional Investors	Institutional Investors
Minimum initial subscription	USD 5 million	USD 1 million	USD 10,000
Minimum subsequent subscription	USD 1 million	USD 250,000	USD 10,000
Minimum holding amount	N/A	N/A	N/A
Subscription, redemption and conversion fee	N/A	N/A	N/A
Distribution	ACC <sup>6</sup>	ACC	ACC

Name of the category of Shares	Class I - USD	Class I - EUR	Class I - CHF	Class I - GBP
Currency	USD	EUR	CHF	GBP
Initial subscription price	USD 100	EUR 100	CHF 100	GBP 100
Eligible investors	Non-Institutional Investors	Non-Institutional Investors	Non-Institutional Investors	Non-Institutional Investors
Minimum initial subscription	USD 5 million	EUR 5 million	CHF 5 million	GBP 5 million
Minimum subsequent subscription	USD 1 million	EUR 1 million	CHF 1 million	GBP 1 million
Minimum holding amount	N/A	N/A	N/A	N/A
Subscription, redemption and conversion fee	N/A	N/A	N/A	N/A
Distribution	ACC <sup>7</sup>	ACC	ACC	ACC

Name of the category of Shares	Class S - USD	Class S - EUR	Class S - CHF	Class S - GBP
Currency	USD	EUR	CHF	GBP
Initial subscription	USD 100	EUR 100	CHF 100	GBP 100

<sup>6</sup> "ACC" is an acronym for "accumulation"

<sup>7</sup> "ACC" is an acronym for "accumulation"

**PROTEA FUND**

price				
Eligible investors	Non-Institutional Investors	Non-Institutional Investors	Non-Institutional Investors	Non-Institutional Investors
Minimum initial subscription	USD 1 million	EUR 1 million	CHF 1 million	GBP 1 million
Minimum subsequent subscription	USD 250,000	EUR 250,000	CHF 250,000	GBP 250,000
Minimum holding amount	N/A	N/A	N/A	N/A
Subscription, redemption and conversion fee	N/A	N/A	N/A	N/A
Distribution	ACC	ACC	ACC	ACC

Name of the category of Shares	Class R - USD	Class R - EUR	Class R - CHF	Class R - GBP
Currency	USD	EUR	CHF	GBP
Initial subscription price	USD 100	EUR 100	CHF 100	GBP 100
Eligible investors	Non-Institutional Investors	Non-Institutional Investors	Non-Institutional Investors	Non-Institutional Investors
Minimum initial subscription	USD 10,000	EUR 10,000	CHF 10,000	GBP 10,000
Minimum subsequent subscription	USD 10,000	EUR 10,000	CHF 10,000	GBP 10,000
Minimum holding amount	N/A	N/A	N/A	N/A
Subscription, redemption and conversion fee	N/A	N/A	N/A	N/A
Distribution	ACC	ACC	ACC	ACC

Name of the category of Shares	Class Retail - USD	Class Retail - EUR
Currency	USD	EUR
Initial subscription	USD 100	EUR 100

price		
Eligible investors	Retail Investors	Retail Investors
Minimum initial subscription	USD 10,000	EUR 10,000
Minimum subsequent subscription	USD 5,000	EUR 5,000
Minimum holding amount	N/A	N/A
Subscription, redemption and conversion fee	N/A	N/A
Distribution	ACC	ACC

### Reference Currency

28.17 The Reference Currency is the USD.

28.18 The Shares issued in a currency other than the Reference Currency are hedged.

### Management of the Compartment

28.19 In relation to investment opportunities for the Compartment, the Management Company has appointed G Squared Capital LLP, whose registered office is at Dashwood House, 69 Old Broad Street, London EC2M 1 QS, United Kingdom, as Investment Manager, under the terms of an investment management agreement.

### Frequency of calculation of NAV

28.20 The Net Asset Value of the Compartment will be calculated each Monday (the “Calculation Day”), on the basis of the pricing of the preceding Business Day (the “Valuation Day”). In the event that a Monday is not a Business Day, the Net Asset Value of the Compartment will be calculated the immediately following Business Day.

28.21 For information purposes only, the Net Asset Value of the Compartment will also be calculated as of the last calendar day of each month (the “Non Tradable NAV”). Subscriptions, redemptions and conversions cannot be accepted and dealt on a Non Tradable NAV.

### Payment of the subscription price or redemption price

28.22 By way of derogation from the main body of the Prospectus, the amount for the subscription shall be paid or transferred within two (2) Business Days following the relevant Valuation Day as set out below.

28.23 By way of derogation from the main body of Prospectus, redemption and conversion proceeds will be paid within two (2) Business Days following the relevant Valuation Day.

Cut-off	<p>Subscription: prior to 5 p.m., at the latest one (1) Business Day before the relevant Valuation Day.</p> <p>Redemption: prior to 5 p.m., at the latest one (1) Business Day before the relevant Valuation Day.</p> <p>Conversion: prior to 5 p.m., at the latest one (1) Business Day before the relevant Valuation Day.</p>
Valuation Day (pricing day)	The Business Day preceding the Calculation Day.
Calculation Day	Each Monday (or the immediately following Business Day if the respective Monday is not Business Day)
Settlement Day	<p>Subscription: within two (2) Business Days after the relevant Valuation Day.</p> <p>Redemption: within two (2) Business Days after the relevant Valuation Day.</p> <p>Conversion: within two (2) Business Days after the relevant Valuation Day.</p>

### **Fees specific to this Compartment**

#### *Investment management fee*

28.24 The Fund will pay to the Investment Manager a management fee as follows:

Class II USD	Up to 1.00% p.a.
Class IS USD	Up to 1.25% p.a.
Class IR USD	Up to 1.50% p.a.
Class I (USD, EUR, CHF, GBP)	Up to 1.00% p.a.
Class S (USD, EUR, CHF,	Up to 1.25% p.a.

**PROTEA FUND**

GBP)	
Class R (USD, EUR, CHF, GBP)	Up to 1.50% p.a.
Class Retail (USD, EUR)	Up to 1.75% p.a.

- 28.25 The investment management fee will be calculated on a monthly basis, in arrear, on the average net assets of the relevant category of Shares of the Compartment.

**Initial Subscription Period**

- 28.26 From 21 April 2017 to 28 April 2017, at the Initial Subscription Price per Share as described under Section 28.16 above.

**29. PROTEA FUND – INVEX MEXICAN OPPORTUNITIES FUND**

**Investors' profile**

- 29.0 The compartment Protea Fund – Invex Mexican Opportunities Fund (the “Compartment”) is a medium risk vehicle aiming to provide growth of capital. The Compartment is suitable for investors who are seeking stable return and capital appreciation. The investment horizon should be at least 3 years

**Objectives and investment policy**

- 29.1 The Compartment aims to achieve long-term capital growth with income from a diversified portfolio of debt instruments issued by governments, supranational bodies, local authorities, and national public bodies worldwide. There can however be no guarantee that the Compartment's objective will be achieved.
- 29.2 The Compartment will mainly invest in Mexican debt securities of any type (including Money Market Instruments):
- (a) issued by sovereign issuers; and
  - (b) considered as investment grade debt securities.
- 29.3 Except the geographical focus and the credit rating focus, the choice of investments will not be limited by economic sector, nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single currency and/or in a single economic sector.
- 29.4 On an ancillary basis (up to 49% of the Compartment's net assets), the Compartment may invest in any other type of Eligible Investments, such as debt securities other than those above-mentioned, equities, structured products, UCIs and cash.
- 29.5 However, the Compartment will not invest:
- (a) more than 10% of its net assets in UCIs;
  - (b) in Contingent Convertible Bonds;
  - (c) in Distressed Securities nor defaulted debt securities;
  - (d) more than 20% of its net assets in ABS/MBS.
- 29.6 If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Compartment may also hold up to 100% of its net assets in liquidities, such as cash deposits, money market UCIs and Money Market Instruments.
- 29.7 No more than 20% of the net assets of the Compartment are expected to be subject to repurchase agreement transactions.



- 29.8 The Compartment will not make use of any derivative instruments, whether for hedging or for investment purposes.

#### **Risk considerations specific to the Compartment**

- 29.9 The Compartment is subject to the specific risks linked to investments in debt instruments denominated in various currencies, in UCIs as well as Contingent Convertible Bonds and Money Market Instruments. For full details of the risks applicable to investing in this Compartment, Shareholders are advised to refer to Section 15 headed "Risk considerations" in the main body of the Prospectus for further details in this connection.
- 29.10 Mexico is considered as an emerging market. The volatility on such markets is likely/slightly higher than on developed markets. However, the Compartment is managed by a highly experienced investment firm, Invex Advisors LLC, which is part of a Mexican financial group. Furthermore, the Compartment is dedicated to Mexican investors only and will be denominated in Mexican Peso.

#### **Global risk exposure**

- 29.11 The Compartment's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment's Net Asset Value.
- 29.12 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

#### **Performance**

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

#### **Income distribution policy**

- 29.14 This Compartment pursues an income accumulation policy.

#### **Categories of Shares**

29.15

Name of the category of Shares	Currency	Initial Subscription Price	Eligible investors	Minimum initial subscription amount	Subscription, redemption and conversion fees	Investment management fee
MXN Class	MXN	MXN100	Non-US Persons	MXN100,000	N/A	Max. 0.50% p.a. of the

						NAV
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### Reference Currency

- 29.16 The Reference Currency is the MXN.

### Management of the Compartment

- 29.17 The Management Company has appointed Invex Advisors LLC, whose registered office is 601 Brickell Key Dr # 400, Miami, FL 33131, USA, as Investment Manager under the terms of an investment management agreement.

### Frequency of calculation of NAV

- 29.18 The Net Asset Value of the Compartment shall be calculated each Friday (the "Calculation Day"), on the basis of the pricing of the preceding Business Day (the "Valuation Day"). If such Friday is not a Business Day, the Net Asset Value will be calculated the immediately following Business Day.

### Cut-off times

- 29.19 For any subscription, redemption or conversion request received by the Administrative Agent, prior to 3 p.m. Luxembourg time, on the Valuation Day, the Net Asset Value calculated based on the Calculation Day will be applicable.
- 29.20 For any subscription, redemption or conversion request arriving at the Administrative Agent after the deadline set at 3 p.m. Luxembourg time, on the Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated based on the following Calculation Day.

### Payment of the subscription price or redemption price

- 29.21 The amount for the subscription shall be paid or transferred within three Business Days after the relevant Valuation Day.
- 29.22 The price for the shares of the Compartment presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within three Business Days from the relevant Valuation Day.

Cut-off	<p>Subscription: 3 p.m. Luxembourg time, on the Valuation Day.</p> <p>Redemption: 3 p.m. Luxembourg time, on the Valuation Day.</p> <p>Conversion: 3 p.m. Luxembourg time, on the Valuation Day.</p>
Valuation Day	One Business Day before the Calculation Day.

Calculation Day	Each Friday
Settlement Day	<p>Subscription: within three Business Days after the relevant Valuation Day.</p> <p>Redemption: within three Business Days after the relevant Valuation Day.</p> <p>Conversion: within three Business Days after the relevant Valuation Day.</p>

**Fees specific to this Compartment**

- 29.23 The Compartment will pay to the Investment Manager a management fee in respect of each category of Shares as disclosed under Section 29.15 above.
- 29.24 The investment management fee will be calculated on a quarterly basis, in arrear, on the average net assets of the relevant category of Shares.

**Initial subscription period**

- 29.25 From 29 May to 31 May 2017, at the Initial Subscription Price per Share as described under Section 29.15 above.