MELCHIOR SELECTED TRUST

Société d'Investissement à Capital Variable Luxembourg

Prospectus

June 2022

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, accountant or an independent financial adviser.

Sub-Funds:

Melchior European Opportunities Fund

Melchior European Absolute Return Fund

Melchior Global Equity Fund

GLOSSARY

"2007 Law" means the Luxembourg law of 13 February 2007 relating to specialised investment funds, as amended.

"2010 Law" means the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended.

"2016 Law" means the Luxembourg law of 23 July 2016 on reserved alternative investment funds, as amended.

"Accumulation Shares" means Shares in respect of which income is accumulated and added to the capital property of a Fund.

"Administration Agreement" means the agreement pursuant to which the Administrator is appointed by the Management Company.

"Administrator" means the central administration, registrar and transfer agent appointed by the Management Company and the Fund in accordance with the provisions of the 2010 Law and the Administration Agreement, as identified in Section "Directory".

"Benchmark" means the benchmark for each Sub-Fund, if any, specified in the relevant appendix of the Sub-Fund in Part B of this Prospectus.

"Benchmark Regulation" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

"Beneficial Owner" means any natural person(s) who ultimately owns or controls the customer or any natural person(s) on whose behalf a transaction or activity is being conducted in accordance with the Luxembourg law of 12 November 2004 against money laundering and terrorism financing (the "**AML Act 2004**").

"Board of Directors" means the board of directors of the Fund.

"Business Day" means a day on which banks and other financial institutions are open the whole day for business in the Grand Duchy of Luxembourg and in the United Kingdom.

"Comparator Benchmark" is defined as without being a Target Benchmark or a Constraining Benchmark, the Sub-Fund's performance is compared against the value or price of an index or indices or any other similar factor.

"Constraining Benchmark" is defined as without being a Target Benchmark, arrangements are in place in relation to the scheme according to which the composition of the portfolio of the Sub-Fund is, or is implied to be, constrained by reference to the value, the price or the components of an index or indices or any other similar factor.

"Contingent Convertibles" or **"CoCos"** means contingent capital securities (which may be automatically written down upon the occurrence of a specific event) and contingent convertible securities (which may be automatically converted into an equity security upon the occurrence of a particular event) (please also refer to the specific risk factor "Contingent Convertibles or CoCos" under Section VIII. "General Risk Considerations").

"CRS" means the Common Reporting Standard for automatic exchange of financial account information in tax matters, as set out in the CRS Law.

"CRS Law" means the Luxembourg law dated December 18, 2015, as may be amended, on the CRS implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD's multilateral competent authority agreement on automatic exchange of

financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016.

"CSSF" means the Luxembourg *Commission de Surveillance du Secteur Financier*.

"Depositary Bank Agreement" means the depositary bank agreement between the Fund, the Management Company, and the Depositary.

"Depositary" means the depositary bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depositary Agreement, as identified in the Directory.

"Dividend Shares" means shares in respect of which income is distributed periodically to Shareholders.

"Domiciliation Agent" means the domiciliation agent of the Fund appointed by the Fund, as identified in Section "Directory".

"ESG" means environmental, social and governance.

"ESMA" means the European Securities and Markets Authority.

"ESMA 34-43-296" means opinion ESMA 34-43-296 of the ESMA dated 30 January 2017.

"ETC" means Exchange Traded Commodities. ETCs are Delta one notes, listed on a Regulated Market. They track the performance of an underlying commodity, commodity future or commodity index.

"EU" means the European Union.

"FATCA Law" means the Luxembourg law of 24 July 2015, as amended from time to time, implementing the Model 1 intergovernmental agreement between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg to improve international tax compliance and with respect to the United States information reporting provisions commonly known as the Foreign Account Tax Compliance Act (FATCA).

"FCA" means the Financial Conduct Authority or its successor authority in the United Kingdom.

"Fund" means Melchior Selected Trust.

"Fund Management Company Agreement" means the agreement between the Fund and the Management Company.

"GDPR" means the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

"Institutional Investor" means an investor which qualifies as an institutional investor within the meaning of the Luxembourg Law and the CSSF administrative practice.

"Investment Manager" means the entity appointed to make investments in portfolios of securities on behalf of the Fund.

"Investment Management Fee" means the fee payable to the Investment Manager for the management of the portfolios of securities on behalf of the Fund.

"Management Company" means the management company of the Fund appointed by the Fund in accordance with the provisions of the 2010 Law and the Fund Management Company Agreement, as identified in Section "Directory".

"Member State" means a member state of the EU.

"MiFID" means Directive 2014/65/EU of 15 May 2014, of the European Parliament and the Council on markets in financial instruments, as amended.

"MMF Regulation" means the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, and relevant supplementing delegated acts.

"Money Market Instruments" means instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.

"Net Asset Value per Share" of each class of Shares shall be determined as of any Valuation Day by dividing the net assets of the Fund attributable to each class of Shares, being the value of the portion of the assets less the portion of liabilities attributable to such class, on any such Valuation Day, by the number of Shares in the relevant class then outstanding.

"Other Regulated Market" means a market which is regulated, operates regulatory and is recognized and open to the public, in an Other State, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public.

"Other State" means any state of Europe which is not a Member State, and any State of the Americas, Africa, Asia, Australia and/or Oceania.

"Performance Fee" means the performance fee payable by each Sub-Fund to the Investment Manager.

"Performance Period" means each period of twelve months ending on 31 December in each year unless specified otherwise in the appendix for each Sub-Fund in Part B of this Prospectus.

"Redemption Price" means the equivalent to the Net Asset Value per Share in the relevant class or Sub-Fund determined on the relevant Valuation Day, potentially decreased by a fee, as specified in Section X. ("The Shares").

"Register of Beneficial Owners" ("RBO") means the register the register created in accordance with the Luxembourg act of 13 January 2019 creating a Register of beneficial owners (the "RBO Act 2019"). The Fund is required under Luxembourg law to (i) obtain and hold accurate and up-to-date information (*i.e.*, full names, nationality/ies, date and place of birth, address and country of residence, national identification number, nature and extent of the interest in the Fund) about its beneficial owners (as such term is defined under the AML Act 2004) and relevant supporting evidence and (ii) file such information and supporting evidence with the Luxembourg Register of beneficial owners.

"Regulated Market" means a regulated market as defined in MiFID.

"Securities financing transaction" or "SFT" means (i) a repurchase transaction; (ii) securities or commodities lending and securities or commodities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction or (iv) a margin lending transaction as defined under the SFTR.

"SFTR" means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as amended.

"Shares" means the shares of any class of the Fund issued and outstanding from time to time.

"Sub-Fund" means a specific portfolio of assets which is invested in accordance with a particular investment objective.

"Subscription Price" means the price per Share, which is the total of the Net Asset Value per Share and the sales charge (if any) as stated in Section X. ("The Shares").

"Sustainability Factor" means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

"Sustainability Risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Sub-Fund.

"Target Benchmark" is defined as a target for a Sub-Fund's performance has been set, or a payment out of the Sub-Fund's assets is permitted, by reference to a comparison of one or more aspects of the Sub-Fund's assets or price with fluctuations in the value or price of an index or indices or any other similar factor.

"Taxonomy Regulation" means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending SFDR, as amended.

"Transferable Securities" means:

- shares and other securities equivalent to shares;
- bonds and other debt instruments;
- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments.

"TRS" means total return swap, *i.e.*, a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

"UCITS" means an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive.

"UCITS Delegated Regulation" means the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries.

"UCITS Directive" 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), as amended.

"Valuation Day" means the day specified in Section XII. "Determination of the Net Asset Value".

INTRODUCTION

The Directors, whose names appear below, accept responsibility for the information contained in this document. The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

Melchior Selected Trust is an investment company organised under the laws of the Grand Duchy of Luxembourg as an investment company with variable capital (*Société d'Investissement à Capital Variable* (SICAV)). It is governed by Part I of the 2010 Law and qualifies as a UCITS within the meaning of Article 1 (2) of the UCITS Directive.

The Fund is offering Shares of several separate Sub-Funds on the basis of the information contained in this prospectus (the "**Prospectus**") and in the documents referred to herein. No person is authorised to give any information or to make any representations concerning the Fund other than as contained in the Prospectus and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in the Prospectus shall be solely at the risk of the purchaser. Neither the delivery of the Prospectus nor the offer, sale or issue of Shares shall under any circumstances constitute a representation that the information given in the Prospectus is correct at any time subsequent to the date hereof. An amendment or updated Prospectus shall be provided, if necessary, to reflect material changes to the information contained herein.

The distribution of the Prospectus is not authorised unless it is accompanied by the most recent Key Investor Information Document (the "**KIID**") and the annual and semi-annual reports of the Fund, if any. Such report or reports are deemed to be an integral part of the Prospectus.

The Shares to be issued hereunder may be of several different classes which relate to several separate Sub-Funds of the Fund. Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Share of the relevant Sub-Fund, as defined in the articles of incorporation of the Fund (the "**Articles**").

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund best suits their specific risk and return expectations as well as their diversification needs.

The Fund has legal personality under Luxembourg law. Each Sub-Fund shall be treated as a separate entity for purposes of segregating income, expenses, assets, and liabilities without having a legal personality under Luxembourg law. Each Sub-Fund is only liable for its own debts and obligations. The liability of any shareholder is limited to the Shares it holds in a Sub-Fund.

The Board of Directors may, at any time, and upon prior written approval of the Management Company, create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds, the Prospectus will be updated accordingly and made available on the website of the Investment Manager.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform himself or herself of and to observe all applicable laws and regulations of relevant jurisdictions.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate

in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

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

EU - The Fund is a UCITS for the purposes of the UCITS Directive and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain Member States.

United States of America ("USA") - The Shares have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"); they may therefore not be publicly offered or sold in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a U.S. Person as such expression is defined by Article 10 of the Articles and hereinafter.

The Shares are not being offered in the USA, and maybe so offered only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "**1940 Act**"). Shares may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the law of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "**U.S. Person**"). All purchasers must certify that the beneficial owner of such Shares is not a U.S. Person and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

The Articles give powers to the Board of Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered and, in particular, by any U.S. Person as referred to above. The Fund may compulsorily redeem all Shares held by any such person.

The value of the Shares may fall as well as rise and a shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from, taxation may change. There can be no assurance that the investment objectives of the Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Shares of the Fund.

All references in the Prospectus to "EUR" are to the legal currency of the Member States participating to the Economic Monetary Union and all references to "USD" are to the legal currency of the USA. References in the Prospectus to "GBP" are to the legal currency of the United Kingdom and references to "JPY" are to the legal currency of Japan.

The Fund may either subscribe to classes of shares of target funds likely to participate in offerings of US new issue equity securities ("**US IPOs**") or directly participate in US IPOs. The Financial Industry Regulatory Authority ("**FINRA**"), pursuant to FINRA rules 5130 and 5131 (the "**FINRA Rules**"), has established prohibitions concerning eligibility of certain persons to participate in US IPOs where the beneficial owner(s) of such accounts are financial services industry professionals (including among other things, an owner or employee of a FINRA member firm or money manager) (a "**Restricted Person**"), or an executive officer or director of a U.S. or non-U.S. company

potentially doing business with a FINRA member firm (a "**Covered Person**"). Accordingly, investors considered as Restricted Persons or Covered Persons under the FINRA Rules are not eligible to invest in the Fund, unless an exemption applies. The Board of Directors shall be the sole responsible for accepting or refusing the subscription of a Restricted or Covered Person concerned by this exemption. The Management Company shall not put in place any controls in this respect and shall not be liable for any consequences arising from the acceptation of a Restricted or Covered Person's investment in the Fund.

In case of doubt regarding its status, the investor should seek the advice of its legal adviser.

Further copies of this Prospectus may be obtained from:

ONE Fund Management S.A.
4, rue Peternelchen
L-2370 Howald
Grand Duchy of Luxembourg

or are available together with other documents according to the provisions mentioned in section XXI. "Documents Available".

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Sub-Fund.

DIRECTORY

The Fund

Registered Office:
4, rue Peternelchen
L-2370 Howald
Grand Duchy of Luxembourg

Chairman of the Fund:
Mr. Yves Kuhn
Independent External Director

Members of the Board of Directors:
Mr. Geoffroy Linard de Guertechin
Independent External Director

Mr. Richard Jones
Polar Capital LLP

Mr. Nicholas Farren
Chief Operating Officer
Polar Capital LLP

The Management Company

Registered Office:
ONE Fund Management S.A.
4, rue Peternelchen
L-2370 Howald
Grand Duchy of Luxembourg

Members of the board of directors of the Management Company:
Mr. Aron Brown (Chairman)
Mr. Steve Bernat
Mrs. Lydie Bini

Conducting officers:
Mrs. Lydie Bini
Mr. Kvirin Cerne
Mr. Geoffrey Hurault
Mr. Daniel Koelzer

Service providers of the Fund

Depositary:
Northern Trust Global Services SE
10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Administrator:
Northern Trust Global Services SE
10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Investment Manager:
Polar Capital LLP
16 Palace Street
London SW1E 5JD
United Kingdom

Authorised Auditors of the Fund:
Ernst & Young S.A.
35E, Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Global Distributor:
Polar Capital LLP
16 Palace Street
London SW1E 5JD
United Kingdom

Legal Advisor:
Arendt & Medernach S.A.
41A, Avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

Domiciliation Agent:
ONE corporate S.à r.l.
4, rue Peternelchen
L-2370 Howald
Grand Duchy of Luxembourg

CONTENTS

PART A: GENERAL FUND INFORMATION

INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES, INVESTMENT RESTRICTIONS AND RISK MANAGEMENT PROCESS

I. INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of its shareholders within the limits set forth under Section II. "Investment Restrictions". In order to achieve the investment objective, the assets of the Fund will be invested in Transferable Securities and such other financial assets permitted by law.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that their investment objective will be achieved.

The investment policies and structure applicable to the various Sub-Funds created by the Board of Directors are described hereinafter in Part B of this Prospectus. If further Sub-Funds are created, the Prospectus will be updated accordingly.

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR**"), the Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Funds.

Unless specified otherwise in the appendix for each Sub-Fund in Part B of this Prospectus, the Sub-Funds are considered as falling within the scope of Article 6 of the SFDR as they do not promote environmental or social characteristics and do not maximize portfolio alignment with Sustainability Factors. The investments underlying these Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities. The Sub-Funds however remain exposed to Sustainability Risks.

Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. The Sustainability Risks generally revolve around the following themes:

- corporate governance malpractices (*e.g.*, board structure, executive remuneration);
- shareholder rights (*e.g.*, election of directors, capital amendments);
- changes to regulation (*e.g.*, greenhouse gas emissions restrictions, governance codes);
- physical threats (*e.g.*, extreme weather, climate change, water shortages);
- brand and reputational issues (*e.g.*, poor health & safety records, cyber security breaches);
- supply chain management (*e.g.*, increase in fatalities, lost time injury rates, labour relations); and
- work practices (*e.g.*, observation of health, safety and human rights provisions).

In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value. As such, for a company in which a Sub-Fund invests, this may be because of damage to its reputation resulting in a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risks events may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the relevant Sub-Fund is exposed may also be adversely impacted by a Sustainability Risk event. A Sustainability Risk event may arise and impact a specific

investment or may have a broader impact on an economic sector, geographical or political region or country. For instance, sector and geographic Sustainability Risk events may have an impact on the investment value of the sovereign fixed income exposure of a Sub-Fund.

In particular, it is expected that each of the Sub-Funds be exposed to a various range of Sustainability Risks resulting from their individual strategy and exposures to specific sectors, issuers and asset classes. Nevertheless, given the high level of diversification and risk-spreading of the Sub-Funds, and unless specified otherwise in the appendix for each Sub-Fund in Part B of this Prospectus, it is not anticipated that the Sustainability Risks to which each Sub-Fund may be exposed cause a material impact on their respective returns. Where deemed relevant, additional information and details on the Sub-Funds' Sustainability Risk(s) will be included in the relevant appendix in Part B of this Prospectus.

As permitted under Article 4 of the SFDR, neither the Management Company nor the Investment Manager consider the adverse impacts of investment decisions on Sustainability Factors on the basis that they are not financial market participants having on their balance sheet an average number of employees exceeding 500 during the financial year. The Management Company and the Investment Manager will review their approach to considering the principal adverse impacts of investment decisions on Sustainability Factors under the SFDR once the regulatory technical standards of the SFDR have been finalised and come into effect. In the meantime, the Fund, the Management Company, and the Investment Manager are currently reviewing the latest draft regulatory technical standards, the data available on principle adverse impacts on Sustainability Factors, and the defining material metrics for disclosure.

II. INVESTMENT RESTRICTIONS

The investment policy shall comply with the following rules and restrictions:

A. Investments in the Sub-Funds shall consist solely of:

(1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;

(2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

(3) Transferable Securities and Money Market Instruments admitted to official listing on a Regulated Market in an Other State or dealt in on an Other Regulated Market in an Other State;

(4) Recently issued Transferable Securities and Money Market Instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under (1)-(3) above;

- such admission is secured within one year of issue;

(5) Units or shares of UCITS and/or other UCIs within the meaning of Article 1 paragraph (2) points a) and b) of the UCITS Directive, whether or not established in a Member State, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Luxembourg regulatory authority (the "**Regulatory Authority**") to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong and Japan);

- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;

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

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

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

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

(i)
- the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives;

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

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

(ii) under no circumstances shall these operations cause the Fund to diverge from its investment objectives.

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

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

- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above, or

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

- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 euro) 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.

B. Each Sub-Fund may, however:

(1) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through (4) and (8).

(2) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Directors consider this to be in the best interest of the shareholders.

(3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. For the purpose of this restriction, back-to-back loans are not considered to be borrowings.

(4) Acquire foreign currency by means of a back-to-back loan.

C. In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

(a) Risk Diversification rules

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

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

Investments from one Sub-Fund into another Sub-Fund:

A Sub-Fund may subscribe, acquire and/or hold units to be issued or issued by one or more Sub-Funds of the Fund under the condition that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;

and

- no more than 10% of the assets of the target Sub-Funds whose acquisition is contemplated, may be invested in aggregate in units of other UCIs;

and

- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;

and

- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

- ***Transferable Securities and Money Market Instruments***

(1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

(i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of one single issuer; or

(ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(2) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(3) The limit of 10% set forth above under (1) (i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under (1) (i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public 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 Sub-Fund 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 Sub-Fund.

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

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

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

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

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

- ***Bank Deposits***

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

- ***Financial Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-

Fund's net assets when the counterparty is a credit institution referred to in A (6) above or 5% of its net assets in other cases.

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

(11) When a Transferable Security or Money Market Instrument embeds a financial derivative, the latter must be taken into account when complying with the requirements of A. (7) (ii) above and C. (a) (10) and D. hereunder as well as with the risk exposure and information requirements laid down in the present Prospectus.

To the extent the Sub-Funds do not use total return swaps (or other financial derivative instruments with the same characteristics) as a significant part of their investment strategy, no information on the underlying strategy and composition of the investment portfolio or index has been disclosed. However, should one or several Sub-Funds contemplate to use primarily such instruments, appropriate disclosures will be added according to the ESMA guidelines 2014/937 on ETFs and other UCITS.

- ***Units or shares of Open-Ended Funds***

(12) Unless specified otherwise in the relevant appendix, no Sub-Fund may invest more than 10% of its assets in the units or shares of the same UCITS or UCI; furthermore, no Sub-Fund may invest in aggregate more than 10% of its assets in the units or shares of other UCITS or UCI.

If specified in the relevant appendix, the following applies:

- A Sub-Fund may acquire units or shares of UCITS and/or other UCI specified in Part A, II., A. (5), provided that it does not invest more than 20% of its assets in a single UCITS or UCI.
  For the purposes of the application of this investment limit, each compartment in a multi-compartment undertaking for collective investment, as defined by Article 181 of the 2010 Law, is considered as a separate issuer, provided that the principle of segregation of the commitments of the different compartments with regard to third parties is assured.
- Investments in units or shares of UCIs other than UCITS may not in total exceed 30% of the assets of a Sub-Fund. If a Sub-Fund has acquired units or shares in UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purposes of the limits stipulated in Article 43 of the 2010 Law.

When the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or indirectly, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or the votes, that management company or other company may not charge subscription or redemption fees on account of the Sub-Funds' investment in the units of such other UCITS and/or UCIs.

No investment management fee exceeding 0.25% of the net asset value may be charged on such linked investment.

- ***Combined limits***

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Sub-Fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by,

- deposits made with, and/or

- exposures arising from OTC derivative transactions undertaken with

a single body in excess of 20% of its net assets.

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

(b) Limitations on Control

(15) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.

(16) Neither any Sub-Fund nor the Fund may acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCI.

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

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

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;

- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;

- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);

- shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16); and

- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

D. In addition, the Fund shall comply in respect of its net assets with the following investment restrictions:

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

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

E. Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

(1) No Sub-Fund may acquire precious metals or certificates representative thereof.

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

(3) No Sub-Fund may use its assets to underwrite any securities.

(4) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.

(5) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non-fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A., items (5), (7) and (8).

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

F. Notwithstanding anything to the contrary herein contained:

(1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.

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

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

III. TECHNIQUES AND INSTRUMENTS

Sub-Funds must comply with the requirements of the ESMA Guidelines 2014/937 on ETFs and other UCITS.

(A) General

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 declared investment objective of the Sub-Fund or add substantial supplementary risks in comparison to the stated risk profile of the Sub-Fund.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits referred to under Section II. C. above.

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

(B) Securities Lending and Borrowing

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a

borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred. Such instruments will be safe-kept with the Depositary.

Currently, the Sub-Funds do not engage in securities lending transactions. In the event the Sub-Funds wish to engage in these transactions in the future, the Prospectus will be amended accordingly before they do so and in particular, the legal status, country of origin and minimum credit rating criteria, if any, used to select the counterparties will be disclosed.

The Fund may more specifically enter into securities lending transactions provided that the following rules are complied with in addition to the abovementioned conditions:

(i) 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.

(ii) 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 EU law and specialised in this type of transaction.

(iii) 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.

(C) Repurchase and Reverse Repurchase Transactions

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's involvement in such transactions is, however, subject to the following rules:

(i) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

(ii) 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.

Currently, the Sub-Funds do not engage in repurchase and reverse repurchase transactions. In the event the Sub-Funds wish to engage in these transactions in the future, the Prospectus will be amended accordingly before they do so and in particular, the legal status, country of origin and minimum credit rating criteria, if any, used to select the counterparties will be disclosed.

IV. FINANCIAL DERIVATIVE INSTRUMENTS

Please refer to each strategy and investment policy applicable to the various Sub-Funds as described hereinafter in Part B of this Prospectus.

1. General

A Sub-Fund may invest in financial derivative instruments including instruments with similar characteristics to those of a TRS, such as contracts for difference, for either investment or for hedging purposes that are traded "over-the-counter" or OTC (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, Regulation (EU) 2015/2365), in accordance with the conditions set out in relevant Sections of this Prospectus and the investment objective and policy of the relevant Sub-Fund. Such OTC financial derivative instruments will be safe-kept with the Depositary.

Contracts for difference are agreements between two parties to exchange the difference between the opening price and the closing price of the contract, at the close of the contract, multiplied by the number of units of the underlying asset specified within the contract. Differences in settlement are thus made through cash payments, rather than physical delivery of the underlying assets.

The aim of using contracts for difference by a Sub-Fund is to gain exposure to underlying assets that the Sub-Fund is otherwise permitted to gain exposure to by its investment policy – a basket of specific securities or an index, for example. The expected proportion of the assets under management of a Sub-Fund that could be subject to contracts for difference is set out in the table below. The counterparties will be reputable financial institutions specialised in this type of transaction.

Each Sub-Fund may incur costs and fees in connection with the contracts for difference, upon entering into such instruments and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by a Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company to the extent permitted under applicable laws and regulations, if applicable, may be available in the Annual Report.

All revenues arising from contracts for difference, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

The Depositary will verify the ownership of the OTC derivatives of the Sub-Funds and the Depositary will maintain an updated record of such OTC derivatives in accordance with the terms of the Depositary Agreement.

2. Information on the counterparty(ies) of the transactions

Authorised counterparties to contracts for difference or other SFTs / TRS are reputable financial institutions that specialise in these types of transactions and are subject to prudential supervision and belonging to categories approved by the CSSF. Counterparties will typically have a public credit rating which is investment grade (meaning rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's) and be domiciled in OECD countries. The counterparties will have no discretion over the composition or management of the relevant Sub-Fund's portfolio or over the underlying of the financial derivative instruments. The identity of the counterparties will be disclosed in the annual report.

3. Counterparty Risk - Generic OTC counterparty risk

The Sub-Fund is subject to the risk of the insolvency of its counterparties.

In accordance with its investment objective and policy, a Sub-Fund may trade "over-the-counter" ("**OTC**") financial derivative instruments such as non-exchange traded futures and options, forwards, swaps (including total return swaps) or contracts for difference. Where a Sub-Fund enters into OTC derivative transactions it is exposed to increased credit and counterparty risk, which the Investment Manager will aim to mitigate by the collateral arrangements. Entering into transactions on the OTC markets will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of the contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investments during the period in which the Sub-Fund seeks to enforce its rights, inability

to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

Where a Sub-Fund uses contracts for difference, the maximum and the expected proportion of assets that could be subject to these instruments will be expressed as the notional of the contracts for difference entered by the Sub-Fund divided by its net asset value and set out in the table below:

Sub-Funds	Instrument Type	Maximum	Expected
Melchior European Opportunities Fund	Contracts for difference	50%	0-30%
Melchior European Absolute Return Fund	Contracts for difference	300%	75-150%
Melchior Global Equity Fund	N/A	0	0

V. MANAGEMENT OF COLLATERAL AND COLLATERAL POLICY

Sub-Funds must comply with the requirements of the ESMA Guidelines 2014/937 on ETFs and other UCITS.

1. General

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

2. Eligible collateral

Collateral received by the Sub-Funds may be used to reduce their counterparty risk exposure if they comply with the criteria set out in applicable laws, regulations and circulars issued by the Regulatory Authority 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 Sub-Funds' net asset value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation to the present point d., the Sub-Fund

may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Portfolio should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Portfolio's net asset value;

e. It should be capable of being fully enforced by the Sub-Funds at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Sub-Funds may consist of:

a. liquid assets such as cash and cash equivalents, including short-term bank certificates and Money Market Instruments;

b. bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

c. shares or units issued by money market UCIs calculating a daily NAV and being assigned a rating of AAA or its equivalent;

d. shares or units by UCITS investing mainly in bonds/shares mentioned in e. and f. below;

e. bonds issued or guaranteed by first class issuers offering adequate liquidity; and

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

A reinvestment of cash provided as collateral may only be effected in compliance with the respective circulars of the Regulatory Authority.

3. Level of collateral

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

4. Securities Lending

When engaging in lending transactions, the Fund will receive collateral, the value of which during the lifetime of the lending agreement must be at least equal to 100% of the global valuation of the securities lent.

5. Repurchase / reverse repurchase agreements

Repurchase agreements and reverse repurchase agreements will generally be collateralised, at any time during the lifetime of the agreement, at a minimum of 100% of their notional amount.

6. OTC financial derivative transactions

The Fund will generally require the counterparty to an OTC derivative to post collateral in favour of the Sub-Fund representing, at any time during the lifetime of the agreement, up to 100% of the Sub-Fund's exposure under the transaction.

7. Haircut policy applicable for OTC derivatives

The Management Company has a haircut policy relating to the classes of assets received as collateral by or for the account of the Fund. The Management Company only accepts cash and high-quality government bonds as collateral with haircuts ranging from 1-10%. Haircuts are assessed, on a daily basis, based on collateral credit quality, price volatility and tenor.

Collateral Instrument Type	**Maturity**	**Haircut applicable to Collateral Requirement**
Cash in CHF, EUR, GBP, USD (other liquidities not accepted)	*N/A*	*N/A*
Short-term instruments issued by one of the OECD countries with a minimum rating of A	*< 1 year*	*1%*
Short-term instruments issued by one of the OECD countries with a minimum rating of A	*1 < 5 years*	*4%*
Mid-term instruments issued by one of the OECD countries with a minimum rating of A	*5 < 10 years*	*6%*
Long-term instruments issued by one of the OECD countries with a minimum rating of A	*>10 years*	*8%*
Other	*N/A*	*Not applicable, other collateral types are not accepted.*

Due to the nature of the collateral received (having a low volatility) and the level of haircuts applied, the daily valuations of the collateral are not expected to be adversely impacted.

At this time, none of the Sub-Funds will enter into (i) repurchase or reverse repurchase agreements, (ii) securities or commodities lending and securities or commodities borrowings, (iii) buy-sell back transactions or sell-buy back transactions, (iv) margin lending transactions and (v) total return swaps. Should the Sub-Funds use any of these techniques, this Prospectus shall be updated accordingly.

8. Reinvestment of collateral

Non-cash collateral received by the Fund on behalf of a Sub-Fund cannot be sold, reinvested or pledged, except where and to the extent permissible under Luxembourg law and regulations.

Cash collateral received by the Sub-Funds can only be:

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

(b) invested in high-quality government bonds;

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

(d) invested in short-term money market funds as defined in the ESMA Guidelines on a common definition of European Money Market Funds.

Any reinvestment of cash collateral should be sufficiently diversified in terms of country, markets and issuers with

a maximum exposure, on an aggregate basis, of 20% of the Sub-Fund's Net Asset Value to any single issuer. The Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

VI. CO-MANAGEMENT AND POOLING

To ensure effective management, the Board of Directors may decide to authorise the Investment Manager(s) to manage all or part of the assets of one or more Sub-Funds with other Sub-Funds in the Fund (technique of pooling) or to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds of the Fund with assets of other Luxembourg undertakings for collective investment or of one or more sub-funds of other Luxembourg undertakings for collective investment (hereinafter called "Party(ies) to co-managed assets") for which the Fund's Depositary was appointed the depositary bank. These assets will be managed in accordance with the respective investment policy of the Parties to co-managed assets, each of which pursuing identical or comparable objectives. Parties to co-managed assets will only participate in co-managed assets as stipulated in their respective prospectus and in accordance with their respective investment restrictions.

Each Party to co-managed assets will participate in co-managed assets in proportion to the assets contributed thereto by it. Assets will be allocated to each Party to co-managed assets in proportion to its contribution to co-managed assets. The entitlements of each Party to co-managed assets apply to each line of investment in the aforesaid co-managed assets.

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

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

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

In the case of infringement to investment restrictions affecting a Sub-Fund of the Fund, when such a Sub-Fund takes part in co-management and even though the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Board of Directors shall ask the Investment Manager to reduce the investment in question proportionally to the participation of the Sub-Fund concerned in the co-managed assets or, if necessary, reduce its participation in the co-managed assets so that investment restrictions for the Sub-Fund are observed.

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

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

VII. RISK MANAGEMENT PROCESS

The Management Company must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions in its portfolios and their contribution to the overall risk profile of its Sub-Funds.

In relation to financial derivative instruments the Management Company must employ a process (or processes) for accurate and independent assessment of the value of OTC derivatives and the Management Company shall ensure for each Sub-Fund that its global risk exposure relating to financial derivative instruments does not exceed the total net value of its Sub-Fund, when the commitment approach is used to calculate the global risk exposure.

The global risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. The method used for the determination of the global exposure is disclosed in the relevant appendix for each Sub-Fund.

Except as otherwise noted below, each Sub-Fund will be authorised to invest according to its investment policy, in financial derivative instruments, subject to the limits laid down in Section II. and III. (including options, forwards, futures and/or swaps (including Credit Default Swaps) on Transferable Securities and/or any financial instruments and currencies) to hedge the portfolios against market and currency risks, as well as to enhance returns in accordance with the principles of prudent and efficient portfolio management. Shareholders should be aware that the use of derivative instruments for purposes other than hedging carries a certain degree of risk.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section II. “Investment Restrictions” item C.

When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of this Section.

VIII. GENERAL RISK CONSIDERATIONS

1. Introduction

Investors in each Sub-Fund are advised to carefully consider the following risks:

Investors should carefully consider the usual risks of investing and participating in listed and unlisted securities. Prices of securities may go down or up in response to changes in economic conditions, interest rates, and the market's perception of securities. These may cause the Net Asset Value of the Shares of a Sub-Fund to go down or up as the Net Asset Value of the Shares of a Sub-Fund are based on the current market value of its investments. These investments may be affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, default risks and other restrictions and controls which may be imposed by the relevant authorities in other countries. Fluctuations in foreign exchange rates may have an impact on the income of the Sub-Fund and affect the Net Asset Value of the Shares of the Sub-Fund.

2. Equity securities

Investing in equity securities may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment 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 any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values 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.

3. Fixed-income securities

Investment in these securities may offer opportunities for income and capital appreciation and may also be used for temporary defensive purposes and to maintain liquidity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes, and debentures issued by corporations; debt securities issued or guaranteed by governments or their agencies or instrumentalities and municipal securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (*i.e.*, market risk).

A Sub-Fund's investments in debt securities may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Sub-Fund earlier than expected. This may happen when there is a decline in interest rates, or when the issuer's performance allows the refinancing of debt with lower cost debt. Early repayments of investments may have a material adverse effect on the Sub-Fund's investment objective and the profits on invested capital.

4. Credit Derivatives

A Sub-Fund has the ability to buy or sell credit derivatives, examples of which include credit default swap agreements and credit-linked notes. Credit derivatives are contracts that transfer price, spread and/or default risks of debt and other instruments from one party to another. Such instruments may include one or more debtors. Payments under credit derivatives may be made during the exercise period of the contracts. Payments under many credit derivatives are triggered by credit events such as bankruptcy, default, restructuring, failure to pay, cross default or acceleration, etc. Such payments may be for notional amounts, actual losses or amounts determined by formula.

5. High Yield Securities

Investment in higher yielding securities may be considered more speculative as it generally entails increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

6. Contingent Convertibles or CoCos

A Sub-Fund may invest in contingent convertibles (CoCos). CoCos are Tier 1 and Tier 2 subordinated debt securities issued by financial institutions. CoCos generally contain loss absorption mechanisms, or 'bail-in' clauses, to avoid public sector intervention to keep the issuer of such securities from insolvency or bankruptcy. Additionally, CoCos investors may suffer losses prior to investors in the same financial institution holding equities or bonds ranking pari passu or junior to the CoCo bond holders. CoCos terms may vary from issuer to issuer and bond to bond and may expose investors to:

- <u>Trigger risk</u>

Under the terms of the CoCos, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCos issuer which 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 "non-viable", *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 CoCos into equity in

circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos. Upon such occurrence, there is a risk of a partial or total loss in nominal value or conversion into the common stock of the issuer which may cause a Portfolio as a CoCo bondholder to suffer losses (i) before both equity investors and other debt holders which may rank pari passu or junior to CoCo investors and (ii) in circumstances where the bank remains a going concern.

- Extension risk

As there may be no incentive, in the form of a coupon step-up, for the issuer to redeem the securities issued. This would cause the securities' duration to lengthen and to expose investors to higher Interest Rate risk.

- Unknown risk

Shareholders should be aware that the structure of CoCos is yet to be tested and there is some uncertainty as to how they may perform in a stressed environment. Depending on how the market views certain triggering events, as outlined above, there is the potential for price contagion and volatility across the entire asset class. Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

- Yield/valuation risk

It is possible in certain circumstances, *e.g.*, issuer discretion not to pay and/or insufficient distributable profits to pay interest in full or in part, for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter, and bondholders shall accordingly have no right, whether in a liquidation, dissolution or winding-up or otherwise, to claim the payment of any foregone interest which may impact the value of the Portfolio.

Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or that the principal value of such instruments may be written down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking pari passu with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos.

- Capital structure inversion risk

CoCos generally rank senior to common stock in an issuer's capital structure and are consequently higher quality and entail less risk than the issuer's common stock; however, the risk involved in such securities is correlated to the solvency and/or the access of the issuer to liquidity of the issuing financial institution.

- Conversion risk/write-down risk

The value of such instrument may be impacted by the mechanism through which the instruments are converted into equity or written-down, which may vary across different securities which may have varying structures and terms. CoCo structures may be complex and terms may vary from issuer to issuer and bond to bond.

In equity convertible CoCos, the conversion share price is important as this determines the economic loss that a Sub-Fund, as a holder of such instruments will suffer upon conversion and may not be pre-determined. For principal write-down CoCos, write-down can be immediate and in many cases there may be a full loss with no expectation of any return of principal. Only some CoCos may be written-back up to par and even then would do

so over a potentially long period of time; however even if this is possible, the issuer may be able to call such investment prior to such write-up to par resulting in a loss to the bondholder.

CoCos are valued relative to other debt securities in the issuer's capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down or converted into equity. There are a number of factors which could increase the likelihood of a trigger event occurring, some of which may be outside an issuer's control. CoCos may trade differently to other subordinated debt of an issuer which does not include a write-down or equity conversion feature which may result in a decline in value or liquidity in certain scenarios. At present, the CoCo market is volatile which may impact the value of the asset.

- Coupon payment risk

Whereby coupon payments may be indefinitely deferred or cancelled with no interest accumulation and potentially no restriction on the issuer to pay dividends to equity holders or coupons to bond holders which rank pari passu or junior to the CoCo bond holders. Coupon cancellation may be at the option of the issuer or its regulator but may also be mandatory under the European Capital Requirements Directive (CRD IV) and related applicable laws and regulation. This mandatory deferral may be at the same time that equity dividends and bonuses may also restricted, but some CoCo structures allow the bank at least in theory to keep on paying dividends whilst not paying CoCo holders. Mandatory deferral is dependent on the amount of required capital buffers a bank is asked to hold by regulators.

- Liquidity risk

CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

- Industry concentration risk

Concentration in investments at certain times in large positions and in a relatively limited number of securities, sectors or regions will make the Sub-fund more subject to the risks associated with such concentration. The Sub-Fund could be subject to significant losses if it holds a relatively large position in a single strategy, issuer, industry, market or a particular type of securities that declines in value and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

7. Emerging Market Countries

Investments in transferable securities of emerging market countries are subject to various risks with regard to the rapid economic development which some of these countries are experiencing. In this respect, no assurance can be given that this process of development will continue during the years to come.

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risk of expropriation, confiscatory taxation, nationalization and social, political and economic instability are greater in emerging markets than in developed markets. In addition to withholding taxes on investment income, some emerging markets may impose different capital gains taxes on foreign investors.

A number of attractive emerging markets restrict, to varying degrees, foreign investment in securities. Further, some attractive equity securities may not be available to one or more of the Sub-Funds because foreign shareholders hold the maximum amount permissible under current law. Repatriation of investment income,

capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging markets and may be subject to currency exchange control restrictions. Such restrictions may increase the risks of investing in certain of the emerging markets. Unless otherwise specified within its portfolio's investment objective and policy, a Sub-Fund will only invest in markets where these restrictions are considered acceptable by the Fund.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities, including trading on material non-public information.

The securities markets of emerging countries have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Sub-Funds acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed countries because brokers and counterparties in such countries may be less well capitalized and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognized credit rating organization. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Fund may have limited legal recourse against the issuer and/or guarantor.

8. Depository Risks in Emerging Market Countries

Investments in emerging market countries are subject to an increased risk in relation to the ownership and custody of transferable securities.

Generally, investments in emerging market countries involve greater risks due to the lack of an appropriate system for the transfer, price calculation and accounting of the transferable securities and to their custody and record keeping.

9. Country risk linked to the custody

The Investment Manager or Sub-Investment Manager may decide from time to time to invest in a country where the Depositary has no correspondent. In such a case, the Depositary will have to identify and appoint a local custodian to the extent its due diligence over this local custodian is conclusive. This process may take time and in the meantime deprive the Investment Manager or Sub-Investment Manager of investment opportunities.

In the same manner, the Depositary shall assess on an ongoing basis the custody risk of the country where the Fund's assets are safe-kept. The Depositary may identify from time to time a custody risk in a jurisdiction and recommends to the Investment Manager or Sub-Investment Manager to realize the investments immediately. In doing so, the price at which such assets will be sold may be lower than the price the Fund would have received in normal circumstances, potentially affecting the performance of the relevant Sub-Funds.

10. Central Securities Depositaries

In accordance with the UCITS Directive, entrusting the custody of the Fund's assets to the operator of a securities settlement system ("**SSS**") is not considered as a delegation by the Depositary and the depositary is exempted

from the strict liability of restitution of assets. A central securities depositary ("**CSD**") being a legal person that operates a SSS and provides in addition other core services should not be considered as a delegate of the Depositary irrespective of the fact that the custody of the Fund's assets have been entrusted to it. There is however some uncertainty around the meaning to be given to such exemption, the scope of which may be interpreted narrowly by some supervisory authorities, notably the European supervisory authorities.

11. Pledge

As a continuing security for the payment of its duties under the Depositary Agreement (like the fees to be paid to the Depositary for its services or also overdraft facilities offered by the Depositary), the Depositary shall have a pledge granted by the Fund over the assets the Depositary or any third party may from time to time hold directly for the account of the Fund, in any currency.

12. Cash

Under the UCITS Directive, cash is to be considered as a third category of assets beside financial instruments that can be held in custody and other assets. The UCITS Directive imposes specific cash flow monitoring obligations. Depending on their maturity, term deposits could be considered as an investment and consequently would be considered as other assets and not as cash.

13. Special Risks related to the investment in warrants on transferable securities

Warrants confer on the investor the right to subscribe for a fixed number of ordinary shares in the relevant company at a pre-determined price for a fixed period.

The cost of this right will be substantially less than the cost of the share itself. Consequently, the price movements in the Share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor. The higher the leverage the more attractive is the warrant. By comparing, for a selection of warrants, the premium paid for this right and the leverage, their relative worth can be assessed. The levels of the premium and gearing can increase or decrease with investor sentiment. Warrants are therefore more volatile and speculative than ordinary shares. Investors should be warned that prices of warrants are extremely volatile and that furthermore, it may not always be possible to dispose of them.

14. Currency Risks

The Fund and each Sub-Fund may invest in transferable securities denominated in local currencies and may hold cash in such currencies. Therefore, currency fluctuations of such currencies vis-à-vis the Euro influence the value of the Sub-Funds denominated in Euro. If, within a Sub-Fund, classes of Shares are issued which are denominated in a currency other than the Sub-Fund's Reference Currency, the fluctuations in value of the Sub-Fund's Reference Currency will have a corresponding impact on the value of such classes of Shares.

Euro requires participation of multiple sovereign states forming the Euro zone and is therefore sensitive to the credit, general economic and political position of each such state including each state's actual and intended ongoing engagement with and/or support for the other sovereign states then forming the EU, in particular those within the Euro zone. Changes in these factors might materially adversely impact the value of securities that the Fund and each Sub-Fund has invested in. In particular any default by a sovereign state on its Euro debts could have a material impact on any number of counterparties and any Sub-Funds that are exposed to such counterparties. In the event of one or more countries leaving the Euro zone, shareholders should be aware of the redenomination risk to the Sub-Fund's assets and obligations denominated in Euro being redenominated into either new national currencies or a new European currency unit. Redenomination risk may be affected by a number of factors including the governing law of the financial instrument in question, the method by which one or more countries leave the Euro zone, the mechanism and framework imposed by national governments and regulators as well as supranational organisations and interpretation by different courts of law. Any such redenomination might also be coupled with payment and/or capital controls and may have a material impact on the ability and/or willingness of entities to continue to make payments in Euro even where they may be contractually bound to do so, and

enforcement of such debts may in practice become problematic even where legal terms appear to be favourable.

15. Market Risks

Some of the markets in which a Sub-Fund will invest may be markets with low market capitalisation, which tend to be volatile and illiquid.

These factors can influence the price at which the Sub-Fund may liquidate positions in order to meet redemption requests or other funding requirements.

16. Small cap investments

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

17. Special risks linked to the use of financial derivative instruments

Each Sub-Fund may engage in various portfolio strategies to attempt to reduce certain risks of its investments and to attempt to enhance return. These strategies currently include the use of options, forward currency exchange contracts, swaps and futures contracts and options thereon. Participation in the options or futures markets and in currency exchange or swaps transactions involves investment risks and transaction costs to which the Sub-Funds would not be subject in the absence of the use of these strategies.

18. Securities Lending, Repurchase or Reverse Repurchase Transactions

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Fund. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Fund.

A Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms 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.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

19. Investment in other Undertakings for Collective Investment

As each Sub-Fund may invest in Undertakings for Collective Investment, the shareholders may incur a duplication of fees and commissions (management fees, including performance fees, depositary bank fees, central administration fees), except that if a Sub-Fund invests in other UCIs or UCITS sponsored by Polar Capital LLP or

one of its affiliates, the Sub-Fund will not be charged any subscription and redemption fees with respect to such investment and all or a portion of the investment management fee with respect to such assets may be waived or rebated. The maximum management fees of other UCIs or UCITS in which a Sub-Fund may invest shall not exceed 2.50% of such Sub-Fund's assets.

20. Business Risk

There can be no assurance that a Sub-Fund will achieve its investment objective. There may be no operating history by which to evaluate its likely future performance.

21. Limited Diversification

A Sub-Fund's investment portfolio may become concentrated on one industry, sector, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by a Sub-Fund. It could also become concentrated to a limited number or types of financial instruments, which could expose a Sub-Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

22. Competition for Investments

Each Sub-Fund expects to encounter competition from other third party funds having similar investment objectives. It is possible that competition for appropriate investment opportunities may increase. To the extent that a Sub-Fund encounters competition for investments, returns to a Sub-Fund may decrease, consequently reducing the returns to the shareholders in the Sub-Fund.

23. Borrowing

A Sub-Fund may use borrowings within the limits of Luxembourg law. Borrowings are limited to 10% of its net assets and can only be made on a temporary basis.

24. Counterparty Risk

A Sub-Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

25. Net Asset Value Considerations

The net asset value per share in respect of each class is expected to fluctuate over time with the performance of the Sub-Fund's investments. A shareholder may not fully recover his initial investment when he chooses to redeem his shares or upon compulsory redemption if the net asset value per share at the time of such redemption is less than the subscription price paid by such shareholder.

26. General Economic and Market Conditions

General economic and market conditions may affect the activities of a Sub-Fund. Interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, political circumstances and other conditions may affect the level and volatility of the price of securities and the liquidity of a Sub-Fund's investments. A Sub-Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

27. Sustainability Risk

Sustainability Risk is principally linked to climate-related events resulting from climate change (so-called physical risks) or to the society's response to climate change (so-called transition risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (*e.g.*, inequality,

inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (*e.g.*, recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

28. Sustainability Risk – Investing in Europe

The increasing regulatory requirements in Western Europe that results, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy may result in significant Sustainability Risks that might impede a Sub-Fund's assets business models, revenues and overall value. Such financial loss may be due to, for example, the changes in the regulatory framework like carbon pricing mechanisms, stricter energy efficiency standards, or policy and legal risks related to litigation claims or the transition to a low-carbon economy which may also negatively impact organizations via technological evolutions leading to the substitution of existing products and services by lower emissions options or the potential unsuccessful investment in new technologies made by the Sub-Fund.

In Western Europe the rising awareness of sustainability issues exposes the Sub-Fund to reputational risk linked to Sustainability that can affect the Compartment's assets or Investment manager directly, for examples through name and shame campaigns by non-governmental or consumer organizations. Stigmatization of an industry sector, shift in consumer preferences and increased shareholder concern/negative feedback resulting from growing concerns over climate change may negatively impact the Sub-Fund and the value of its investments.

29. Currency Exposure Risk

The Shares in the Sub-Fund are denominated in Euro, Japanese Yen, Sterling, Swiss Francs and USD and will be issued and redeemed in those currencies. The Investment Manager may seek to hedge the foreign currency exposure of each of the Euro Shares, Sterling Share and US$ Share classes. Prospective investors whose assets and liabilities are predominantly in currencies other than Euro, Sterling or USD should take into account the potential risk of loss arising from fluctuations in value between the Euro, Sterling or USD, as the case may be, and such other currencies. Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the Reference Currency of the Sub-Fund is applied in accordance with ESMA 34-43-296.

30. Derivatives

A Sub-Fund may invest in derivative instruments that seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices, or markets on a leveraged or unleveraged basis. These instruments generally are subject to counterparty risk and may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the investor. These investments are all subject to additional risks that can result in a loss of all or part of an investment, including, without limitation, interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Derivatives may have very high leverage embedded in them, which can substantially magnify market movements and result in losses greater than the amount of the investment. Some of the markets in which a Sub-Fund may affect derivative transactions are "over-the-counter" or "interdealer" markets. The counterparties to OTC derivative transactions are financial institutions subject to prudential supervision. Investments in derivative instruments expose a Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). These factors may cause a Sub-Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such "counterparty risk" is present in all swaps and is accentuated for contracts with longer maturities where events may intervene to prevent settlement. A Sub-Fund generally will not be restricted from dealing with any particular counterparty.

31. Futures

A Sub-Fund may utilize both exchange-traded futures and options and over-the-counter derivatives as part of its investment policy. These instruments are volatile and expose investors to a risk of loss. The low initial margin

deposits normally required to establish an exchange-traded futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Transactions in over-the-counter derivatives may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

32. Leverage Risk

Leverage may be employed as part of an investment strategy through the use of derivatives (including OTC derivatives). Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the volatility of the value of the relevant Sub-Fund, and thus the exposure to capital risks. Derivatives may contain a leverage component and consequently any adverse changes in the value or level of the underlying asset can result in a loss greater than the amount invested in the derivative itself.

33. Management Risk

The investment performance of a Sub-Fund is substantially dependent on the services of one or more key individuals of the Investment Manager. In the event of the death, incapacity, departure, insolvency or withdrawal of such individuals, the performance of a Sub-Fund may be adversely affected.

34. Price Fluctuations

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

35. Transaction Costs

A Sub-Fund's investment approach may involve a high level of trading and turnover of its investments which may generate substantial transaction costs which will be borne by the Sub-Fund.

36. Amortisation of Organisational Costs

The Fund will bear the organizational costs for the establishment of the Sub-Fund. Such expenses may be capitalized and amortized over a period not exceeding five years, as permitted by Luxembourg law. The financial statements of Sub-Funds will be prepared in accordance with international accounting standards.

37. Stock Market Volatility

Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

38. Companies with Smaller Market Capitalizations

A Sub-Fund may become exposed to companies with smaller market capitalizations, including companies generally considered to be small cap issuers and medium sized companies, may involve greater risks and volatility than investments in larger companies. Companies with smaller market capitalizations may be at an earlier stage of development, may be subject to greater business risks, may have limited product lines, limited financial resources and less depth in management than more established companies. In addition, these companies may have difficulty withstanding competition from larger more established companies in their industries. The securities of companies with smaller market capitalizations may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research

analysts and may be subject to wider price swings and thus may create a greater chance of loss than investing in securities of larger capitalization companies. In addition, transaction costs in smaller capitalization stocks may be higher than those of larger capitalization companies.

39. Multinational Litigation

Because of the multinational composition of the Board of Directors, it may be difficult to join all appropriate parties to an action involving a Sub-Fund, and judgments may be difficult or impossible to enforce against all appropriate parties.

40. Tax treatment of the shareholders

The tax position of the shareholders may vary according to their particular financial and tax situation. The tax structuring of the Fund and/or its investments may not be tax-efficient for a particular prospective investor. No undertaking is given that amounts distributed or allocated to the shareholders will have any particular characteristics or that any specific tax treatment will apply. Further, no assurance is given that any particular investment structure in which the Fund has a direct or indirect interest will be suitable for all shareholders and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the shareholders.

Prospective investors should consider their own tax position in relation to subscribing, purchasing, owning and disposing of Shares, and consult their own tax advisors as appropriate. None of the Fund and its affiliates, or any officer, director, member, partner, employee, advisor or agent thereof can take responsibility in this regard.

41. Changes in tax law, practice and interpretation

Applicable law and any other rules or customary practice relating to or affecting tax, or the interpretation of these in relation to the shareholders, the Fund and its investments may change during the life of the Fund (possibly with retroactive effect). In particular, both the level and the basis of taxation may change. Additionally, the interpretation and application of tax law, rules and customary practice by any taxation authority or court may differ from that anticipated by the Fund and its advisors. This could significantly affect returns to the Fund and the shareholders.

42. Base Erosion and Profit Shifting and Anti-Tax Avoidance Directives

The pace of evolution of fiscal policy and practice has recently been accelerated due to a number of developments. In particular, the Organization for Economic Co-operation and Development (the "**OECD**") together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as base erosion and profit shifting ("**BEPS**"), through 15 actions detailed in reports released on 5 October 2015.

As part of the BEPS project, new rules dealing inter alia with the abuse of double tax treaties, the definition of permanent establishments, controlled foreign companies, restriction on the deductibility of excessive interest payments and hybrid mismatch arrangements, have been or will be introduced into the respective domestic laws of jurisdictions which form part of the BEPS project, via European directives and a multilateral instrument.

The Council of the European Union adopted two Anti-Tax Avoidance Directives (*i.e.*, Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("**ATAD I**") and Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries ("**ATAD II**")) that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented by the law of 21 December 2018 (the "**ATAD I Law**") and the law of 20 December 2019 (the "**ATAD II Law**") into Luxembourg domestic law. Most of the measures have been applicable since 1 January 2019 and 1 January 2020, the remaining being applicable as from 2022. These measures may significantly affect returns to the Fund and the shareholders.

Furthermore, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and

Profit Shifting (the "**MLI**") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. Luxembourg ratified the MLI through the Luxembourg law of 7 March 2019 and deposited its instrument of ratification with the OECD on 9 April 2019. As a result, the MLI entered into force for Luxembourg on 1 August 2019. Its application per double tax treaty concluded by Luxembourg depends on the ratification by the other contracting state and on the type of tax concerned. The resulting changes and any other subsequent changes in tax treaties negotiated by Luxembourg may significantly affect returns to the Fund and the shareholders.

43. FATCA and CRS

Under the terms of the FATCA Law and CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Although the Fund will attempt to satisfy any obligations as necessary to avoid any withholding tax and/or penalties under the FATCA Law or penalties or fines under the CRS Law, there can be no assurance that the Fund will be able to satisfy these obligations. If the Fund becomes subject to withholding tax and/or penalties as a result of the FATCA regime or to penalties or fines under the CRS regime, the value of the Shares held by its shareholders may suffer material losses.

Furthermore, the Fund may also be required to withhold tax on certain payments to its shareholders who would not be compliant with FATCA (*i.e.*, the so-called foreign *passthru* payments withholding tax obligation).

44. Exchange of information on reportable cross-border arrangements

Following the adoption of the Luxembourg law of 25 March 2020 (the "**DAC 6 Law**") implementing Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements, certain intermediaries and, in certain cases, taxpayers will have to report to the Luxembourg tax authorities within a specific timeframe certain information on reportable cross-border arrangements.

A reportable cross-border arrangement covers any cross-border arrangement that contains at least one hallmark (*i.e.*, a characteristic or feature that presents an indication of a potential risk of tax avoidance) as set out in the DAC 6 Law. A cross-border arrangement will only fall within the scope of the DAC 6 Law if its first step was implemented between 25 June 2018 and 30 June 2020 or if one of the following triggering events occurs as from 1 July 2020: the arrangement is made available for implementation, the arrangement is ready for implementation, the first step of the implementation of the arrangement is made, or aid, assistance or advice is provided with respect to designing, marketing, organising, making available for implementation or managing the implementation of a reportable cross-border arrangement. The reporting obligation in Luxembourg started on 1 January 2021.

The reported information will be automatically exchanged by the Luxembourg tax authorities with the competent authorities of all other EU Member States. As the case may be, the Fund may take any action that it deems required, necessary, advisable, desirable or convenient to comply with the reporting obligations imposed on intermediaries and/or taxpayers pursuant to the DAC 6 Law. Late, incomplete or inaccurate reporting, or non-reporting, shall be subject to a maximum fine of EUR 250,000.-.

Potential investors should therefore be aware of all these risks and contact, if necessary, their personal investment adviser. The Board of Directors attempts to minimize the risks by the number and risk spreading of the investments of the Sub-Funds' assets.

Taking into account the principle of risk spreading within the investment limits in accordance with this Prospectus and the Articles, the Fund is authorised to invest up to 100% of each Sub-Fund's net assets in Transferable Securities and Money Market Instruments from different issues, guaranteed or issued by a Member State, its local authorities, by another member state of the OECD or by a public international

organization of which at least one Member State is a member, insofar as these securities are part of at least six different issues, and the securities from one and the same issue do not exceed 30% of the respective Sub-Fund's net assets.

IX. GLOBAL DISTRIBUTOR

Following the Global Distribution Agreement concluded between the Fund, the Management Company and Polar Capital LLP, Polar Capital LLP was appointed as global distributor of the Fund (the "**Global Distributor**"). As such the Global Distributor coordinates distribution agreements and may appoint one or more sub-distributors for each Sub-Fund. Polar Capital LLP is an English limited liability partnership regulated by the FCA") and has its registered office at 16 Palace Street, London SW1E 5JD, United Kingdom.

The Global Distributor is not entitled to accept any subscription monies from the investors.

Where any local distributor or sub-distributor holds Shares in its own, or a nominee's, name for and on behalf of Shareholders it will act as nominee in respect of such Shares. Whether investors elect to make use of such nominee service is their own decision. Investors are advised to inform themselves of, and when appropriate consult with their nominee regarding, the rights that they have in respect of Shares held through the relevant nominee service. In particular, investors should ensure that their arrangements with such nominees deal with information being given regarding corporate actions and notifications arising in respect of the Fund's Shares, as the Fund is only obliged to deliver notice to parties inscribed as a Shareholder in the Fund's register and can have no obligation to any third party.

X. THE SHARES

The Board of Directors create and issue Share Classes with various characteristics and investor eligibility requirements within each Sub-Fund which may have any combination of the following features:

Each Sub-Fund may contain one or more classes of Shares. These classes may differ in their minimum initial and additional subscription amounts, minimum holding amount, eligibility requirements, and applicable fees and expenses, as detailed in this Section.

Each class, where available, may be offered in the Reference Currency of the relevant Sub-Fund, or may be denominated in any other currency as determined from time to time by the Board of Directors. The currency denomination of each class will be represented in the name of the class by a short form reference to such currency (*e.g.*, "EUR" for share classes denominated in euros, "USD" for share classes denominated in USD, etc.). In respect of certain Sub-Funds, classes of Shares that are not offered in the Reference Currency, hedged share classes may be made available with the aim to mitigate currency risk between the currency in which the relevant class is denominated and the Reference Currency. Hedged share classes will be differentiated with a "Hedged" in their names.

Share classes may be available in different currencies to that of the base currency of the Sub-fund. For more information the currencies available, please see www.polarcapitalfunds.com and by selecting the appropriate Sub-Fund under the "Our Funds" page.

Classes which are intended to distribute dividends will be classified according to the categories set out in Section XIII. "Distribution Policy". Dividend share classes will be differentiated with a "Distribution" in their names while Accumulation share classes will be differentiated with an "Accumulation" in their names.

Each class, where available, may charge a Performance Fee, as described in the relevant appendix. The applicable Performance Fee Rate for each class is set out in the relevant appendix.

The availability of any class detailed above may differ from Sub-Fund to Sub-Fund. A full list of available classes of Shares can be found on the Investment Manager's website www.polarcapitalfunds.com or from the registered office of the Fund upon request.

Below is an overview of the base share classes:

Share Class	Eligible Investors	Initial Investment (or its equivalent in another currency)	Additional Investment (or its equivalent in another currency)	Minimum Holding (or its equivalent in another currency)[1]	Hedge Available[2]	Distribution Policy	Additional features
B	All investors	USD 10,000.-	N/A	USD 10,000.-	Yes	Accumulation / Dividend	None
C	All Investors	USD 10,000.-	N/A	USD 10,000.-	Yes	Accumulation / Dividend	None
CS	Available only to intermediaries who operate fee-based arrangements with their clients to provide discretionary portfolio management services or advisory services.	USD 10,000.-	N/A	USD 10,000.-	No	Accumulation/ Dividend	None
F	All investors	USD 10,000,000.-	USD 10,000.-	USD 10,000,000.-	Yes	Accumulation / Dividend	None
H	All investors	GBP 5,000.-	N/A	GBP 5,000.-	Yes	Accumulation / Dividend	None
I	All investors	USD 10,000.-	N/A	USD 10,000.-	Yes	Accumulation / Dividend	Initial investment for the Melchior European Opportunities Fund is USD 250,000.-.
L	All investors	USD 250,000.-	N/A	USD 250,000.-	Yes	Accumulation / Dividend	None
P	Institutional Investors within the meaning of Article 174 of the 2010 Law	USD 250,000.-	USD 10,000.-	USD 250,000.-	Yes	Accumulation / Dividend	None
X	Restricted to investors comprising other Sub-Funds of the Fund and such other investors as approved by the Board of Directors, which may include investors who are party to a discretionary management agreement with the Investment Manager or one of its affiliates.	USD 10,000.-	N/A	USD 10,000.-	Yes	Accumulation / Dividend	None

If the above Classes of Shares do not meet your investment criteria, upon request, the Board of Directors may consider a solution to meet you investment profile and needs. You may contact your Global Distributor at www.polarcapitalfunds.com.

The classes of shares issued in relation to each Sub-Fund as well as further information are set out in the appendix relating to each Sub-Fund.

Shares in any Sub-Fund may be issued on a registered basis only.

The inscription of the shareholder's name in the register of shareholders evidences his or her right of ownership of such registered Shares.

[1] The Board of Directors may waive the minimum holding requirement at the request of the investor.
[2] Hedged Share classes may not be available for all Sub-Funds.

A holder of registered Shares shall receive written confirmation of his or her shareholding.

All Shares must be fully paid-up; they are of no par value and carry no preferential or pre-emptive rights. Each Share of the Fund to whatever Sub-Fund it belongs is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles.

Fractional registered Shares will be issued and rounded down to one ten-thousandth of a Share, and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the Shares in the relevant Sub-Fund on a pro rata basis.

The Shares of each Sub-Fund are presently not listed on the Luxembourg Stock Exchange. The Board of Directors may in the future seek a listing of the Shares of the Sub-Fund(s) on the Luxembourg Stock Exchange and this will be specified in Part B of the Prospectus.

XI. PROCEDURE OF SUBSCRIPTION, CONVERSION AND REDEMPTION

1. Subscription of Shares

The subscription price per Share in the relevant class (the "**Subscription Price**") is the total of the Net Asset Value per Share and the sales charge (if any). The Subscription Price is available for inspection at the registered office of the Fund.

To the extent that the Board of Directors considers that it is in the best interests of the Fund, given the prevailing market conditions and the level of subscriptions or redemptions requested by shareholders in relation to the size of any Sub-Fund on any dealing day, an adjustment may be made to the price at which subscriptions or redemptions shall be settled in order to cover the percentage estimate of costs and expenses to be incurred by the relevant Sub-Fund in relation to such subscriptions or redemptions respectively. To the extent that the Board of Directors considers that it is in the best interests of the Fund, the Board of Directors will apply such dilution levy if on the Valuation Day, the netted inflows and outflows in a sub-fund exceed 5% of the previous Net Asset Value of such Sub-Fund. If the netting results in net outflows of more than 5% of the Net Asset Value of a Sub-Fund, the dilution levy shall apply regardless of the Net Asset Value of the Sub-Fund. However, if the netting results in net inflows of more than 5% of the Net Asset Value of a Sub-Fund, the dilution levy shall only apply in case the total Net Asset Value of the Sub-Fund exceed EUR 100 million (or its equivalent in another currency). The dilution levy policy will be defined by the Board of Directors, but the extent of the dilution levy will be set either by the Board of Directors, or, via a delegation, by the Investment Manager concerned. The dilution levy to be applied by the Board of Directors is not expected to exceed 1% of the Net Asset Value per Share. The dilution levy will apply to the Melchior European Absolute Return Fund.

Alternatively, the Board of Directors will apply the swing pricing mechanism to the Melchior European Opportunities Fund, and the Melchior Global Equity Fund, as described herein. The Sub-funds may suffer dilution of the Net Asset Value per Shares due to various underlying swing factors due to investors buying or selling Shares at a price that does not take into account swing factors arising when the Investment Manager makes or sells investments to accommodate cash inflows or outflows. After assessing the transaction and market impacts expected to be incurred, swing factors considered when calculating include, bid/offer spreads, transaction costs of the custodian, fiscal and other applicable trading charges, subscription fees or redemption fees on the underlying funds, as applicable and the swing factors would vary across Sub-Funds due to underlying market exposure. To counteract this, a partial swing pricing mechanism will be adopted to protect shareholders' interests. If on the Valuation Day, the netted inflows and outflows in a Sub-Fund exceeds 5% of the previous Net Asset Value of such Sub-Fund, the net asset value may be adjusted upwards or downwards to reflect net inflows and net outflows respectively. If the netting results in net outflows of more than 5% of the Net Asset Value of a Sub-Fund, the swing pricing mechanism shall apply regardless of the Net Asset Value of the Sub-Fund. However, if the netting results in net inflows of more than 5% of the Net Asset Value of a Sub-Fund, the swing pricing mechanism shall only apply in case the total Net Asset Value of the Sub-Fund exceed EUR 100 million (or its equivalent in another currency). The extent of the price adjustment will be set by the Board of Directors, or via a delegation, by the

Investment Manager concerned, to reflect dealing and other costs. Such adjustment is not expected to exceed 1% of the original Net Asset Value per Share.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in this Part A in the Section XII. "Determination of the Net Asset Value" under the heading "Calculation and Publication") following receipt of the application form provided that such application is received by the Fund in Luxembourg not later than 2 p.m., Luxembourg time, on the Business Day preceding that Valuation Day. Applications received after 2 p.m., Luxembourg time, on the Business Day preceding the Valuation Day, will be dealt with on the following Valuation Day.

Instructions for the subscription of Shares may be made by email, by post, by fax, by way of SWIFT or other electronic means (including subscription applications submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the application form), in accordance with the investors' instructions on the application form. Each subscription application will be subject to appropriate security clearance procedures to protect the interests of investors. The Fund, the Management Company, and the Administrator shall not be responsible for any risks associated with using and relying on emails, *e.g.*, network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

Investors may be required to complete a purchase application for Shares or other documentation satisfactory to the Fund, indicating that the purchaser is not a U.S. Person or nominee thereof. Application forms containing such representation are available from the Fund.

Payments for Shares may be made either in the Reference Currency of the Fund, or in the Reference Currency of the relevant class or Sub-Fund or in any other freely convertible currency.

Payments for subscriptions must be made within three (3) Business Days of the applicable Valuation Day, unless for class of Shares H where it must be made within four (4) Business Days of the applicable Valuation Day. The payment for subscription is payable to the Global Distributor.

If the payment is made in a currency different from the Reference Currency of the relevant class or Sub-Fund, any currency conversion cost shall be borne by the shareholder.

The Fund may agree to issue shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Fund (*réviseur d'entreprises agréé*) and provided that such securities comply with the investment policy and restrictions of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders.

The Fund reserves the right to discontinue at any time the issuance of shares in any or all Sub-Funds. Furthermore the Fund reserves the right to reject any application in whole or in part (including without limitation if the application is not from a reporting financial institution), in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant as soon as practicable or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Sub-Funds. Certain share classes are reserved for investors that meet specific requirements set by the Board of Directors.

Written confirmations of shareholding will be sent to shareholders within ten Business Days after the relevant Valuation Day.

No Shares in any Sub-Fund will be issued during any period when the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Fund, pursuant to the powers reserved to it by Article 12 of the Articles.

In the case of suspension of dealings in Shares the application will be dealt with on the first Valuation Day following the end of such suspension period.

In the event that a class, closed for subscriptions because all the Shares issued in that class have been redeemed, is reopened for subscriptions or in the event that no Shares of a class are subscribed to during the initial subscription period of a Sub-Fund, as set out in the Data Sheet of the Sub-Fund concerned, the initial price per Share of the class concerned will, at the time of the launch of the class, be set as determined by the Board of Directors in its sole discretion.

The Board of Directors may at their discretion accept subscription for Shares for a lesser amount or waive any minimum holding requirements.

All subsequent investments must be a minimum of USD 10,000.- or its equivalent in another currency, unless specified under Section X. "The Shares".

2. Late Trading and Market Timing

The Fund and the Management Company shall maintain controls to help ensure that the practices of late trading and market-timing are minimized in relation to the distribution of Shares of the Fund. Late trading is a fraudulent practice consisting of accepting subscription and/or redemption orders after the cut-off time, such practice is not allowed by the Board of Directors. The cut-off times indicated in Section XI. "Procedure of Subscription, Conversion and Redemption", will be observed. In addition, the investors will not know the NAV per Share at the time of their request for subscription, redemption or conversion. Hence the risk of market timing is mitigated by the fact that the subscription and redemption activity will be applied at an unknown NAV, meaning that the cut-off time is prior to the valuation point and therefore investors cannot take advantage of timing differences and/or deficiencies in the NAV calculation.

Subscriptions, redemptions and conversions of Shares should be made for investment purposes only. The Fund does not permit market-timing or other excessive trading practices. Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm Fund performance. To minimize harm to the Fund and the shareholders, the Board of Directors or the Management Company on behalf of the Fund, has the right to reject any subscription or conversion order from any investor who, in the opinion of the Board of Directors and in its sole discretion, is engaging in excessive trading or whose trading in Shares has been or may be disruptive to the Fund or any of the Sub-Funds. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control. The Board of Directors also reserves the right to redeem all Shares held by a shareholder who is or has been engaging in excessive trading. Neither the Board of Directors nor the Fund will be held liable for any loss resulting from rejected subscription or conversion orders or mandatory redemptions in connection with excessive trading.

3. Data Protection

In compliance with the Luxembourg applicable data protection laws and regulations, including but not limited to the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**GDPR**"), as such applicable laws and regulations may be amended from time to time (collectively hereinafter referred to as the Data Protection Laws), the Fund, acting as data controller (the "**Data Controller**") processes personal data in the context of the investments in the Fund. The term "**processing**" in this notice has the meaning ascribed to it in the Data Protection Laws.

Categories of Personal Data processed

Any personal data as defined by the Data Protection Laws (including but not limited to the name, e-mail address, postal address, date of birth, marital status, country of residence, identity card or passport, tax identification number and tax status, contact and banking details including account number and account balance, resume, invested amount and the origin of the funds) relating to (prospective) investors who are individuals and any other natural persons involved in or concerned by the Fund's professional relationship with investors, as the case may be, including but not limited to any representatives, contact persons, agents, service providers, persons holding a power of attorney, beneficial owners and/or any other related persons (each a "**Data Subject**") provided in connection with (an) investment(s) in the Fund (hereinafter referred to as "**Personal Data**") may be processed by

the Data Controller.

Purposes of the processing

The processing of Personal Data may be made for the following purposes (the "**Purposes**"):

a) For the performance of the contract to which the investor is a party or in order to take steps at the investor's request before entering into a contract

This includes, without limitation, the provision of investor-related services, administration of the shareholdings in the Fund, handling of subscription, redemption, conversion and transfer orders, maintaining the register of shareholders, management of distributions, sending of notices, information and communications and more generally performance of service requests from and operations in accordance with the instructions of the investor.

The provision of Personal Data for this purpose:
- has a contractual nature or is a requirement necessary for the Fund to enter into a contractual relationship with the investor; and
- is mandatory.

b) For compliance with legal and/or regulatory obligations

This includes (without limitation) compliance:
- with legal and/or regulatory obligations such as anti-money laundering and fight against terrorism financing, protection against late trading and market timing practices and accounting obligations;
- with identification and reporting obligations under the foreign account tax compliance act ("**FATCA**") and other comparable requirements under domestic or international exchange tax information mechanisms, such as the OECD and EU standards for transparency and automatic exchange of financial account information in tax matters ("**AEOI**") and the CRS (hereinafter collectively referred to as "**Comparable Tax Regulations**"). In the context of FATCA and/or Comparable Tax Regulations, Personal Data may be processed and transferred to the Luxembourg tax authorities who, in turn and under their control, may transfer such Personal Data to the competent foreign tax authorities, including, but not limited to, the competent authorities of the United States of America;
- with requests from, and requirements of, local or foreign authorities.

The provision of Personal Data for this purpose has a statutory/regulatory nature and is mandatory. In addition to the consequences mentioned in the last paragraph of this Section "Purposes of the Processing", not providing Personal Data in this context may also result in incorrect reporting and/or tax consequences for the investor.

c) For the purposes of the legitimate interests pursued by the Fund

This includes the processing of Personal Data for risk management and for fraud prevention purposes, improvement of the Fund's services, disclosure of Personal Data to Processors (as defined in item 3. hereunder) for the purpose of the processing on the Fund's behalf. The Fund may also use Personal Data to the extent required for preventing or facilitating the settlement of any claims, disputes or litigations, for the exercise of its rights in case of claims, disputes or litigations or for the protection of rights of another natural or legal person.

The provision of Personal Data for this purpose:
- has a contractual nature or is a requirement necessary for the Fund to enter into a contractual relationship with the investor; and
- is mandatory;

and/or

d) For any other specific purpose to which the Data Subject has consented

This covers the use and further processing of Personal Data where the Data Subject has given his/her explicit consent thereto, which consent may be withdrawn at any time, without affecting the lawfulness of processing based on consent before its withdrawal.

Not providing Personal Data for the Purposes under items 2. a) to 2. c) hereabove or the withdrawal of consent under item 2. d) here-above may result in the impossibility for the Fund to accept the investment in the Fund and/or to perform investor-related services, or ultimately in the termination of the contractual relationship with the investor.

Disclosure of Personal Data to third parties

Personal Data may be transferred by the Fund, in compliance with and within the limits of the Data Protection Laws, to its delegates, service providers or agents, such as (but not limited to) its Management Company, its Administrator, its Domiciliary Agent, other entities directly or indirectly affiliated with the Fund and any other third parties who process the Personal Data in the provision of their services to the Fund, acting as data processors (collectively hereinafter referred to as "**Processors**").

Such Processors may in turn transfer Personal Data to their respective agents, delegates, service providers, affiliates, such as (but not limited to) the Fund's global distributor/distributors, investment manager(s), or certain entities, acting as sub-processors (collectively hereinafter referred to as "**Sub-Processors**").

Personal Data may also be shared with service providers, processing such information on their own behalf as data controllers, and third parties, as may be required by applicable laws and regulations (including but not limited to administrations, local or foreign authorities (such as competent regulator, tax authorities, judicial authorities, etc.)).

Personal Data may be transferred to any of these recipients in any jurisdiction including outside of the European Economic Area ("**EEA**"). The transfer of Personal Data outside of the EEA may be made to countries ensuring (based on the European Commission's decision) an adequate level of protection or to other countries not ensuring such adequate level of protection. In the latter case, the transfer of Personal Data will be protected by appropriate or suitable safeguards in accordance with Data Protection Laws, such as standard contractual clauses approved by the European Commission. The Data Subject may obtain a copy of such safeguards by contacting the Fund.

Rights of the Data Subjects in relation to Personal Data

Under certain conditions set out by the Data Protection Laws and/or by applicable guidelines, regulations, recommendations, circulars or requirements issued by any local or European competent authority, such as the Luxembourg data protection authority (the *Commission Nationale pour la Protection des Données* – "**CNPD**") or the European Data Protection Board, each Data Subject has the right:

- to access his/her Personal Data and to know, as the case may be, the source from which his/her Personal Data originates and whether such data came from publicly accessible sources,
- to ask for a rectification of his/her Personal Data in cases where such data is inaccurate and/or incomplete,
- to ask for a restriction of processing of his/her Personal Data,
- to object to the processing of his/her Personal Data,
- to ask for the erasure of his/her Personal Data, and
- to data portability with respect to his/her Personal Data.

Further details regarding the above rights are provided for in Chapter III of GDPR and in particular Articles 15 to 21 of GDPR.

No automated decision-making is conducted.

To exercise the above rights and/or withdraw his/her consent regarding any specific processing to which he/she has consented, the Data Subject may contact the Fund at its registered office.

In addition to the rights listed above, should a Data Subject consider that the Fund does not comply with the Data Protection Laws, or has concerns with regard to the protection of his/her Personal Data, the Data Subject is entitled to lodge a complaint with a supervisory authority (within the meaning of GDPR). In Luxembourg, the competent supervisory authority is the CNPD.

Information on Data Subjects related to the investor

To the extent the investor provides Personal Data regarding Data Subjects related to him/her/it (*e.g.*, representatives, beneficial owners, contact persons, agents, service providers, persons holding a power of attorney, etc.), the investor acknowledges and agrees that: (i) such Personal Data has been obtained, processed and disclosed in compliance with any applicable laws and regulations and its/his/her contractual obligations; (ii) the investor shall not do or omit to do anything in effecting this disclosure or otherwise that would cause the Fund, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); (iii) the processing and transferring of Personal Data as described herein shall not cause the Fund, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); and (iv) without limiting the foregoing, the investor shall provide, before the Personal Data is processed by the Fund, the Processors and/or Sub-Processors, all necessary information and notices to such Data Subjects concerned, in each case as required by applicable laws and regulations (including Data Protection Laws) and/or its/his/her contractual obligations, including information on the processing of their Personal Data as described in this notice. The investor will indemnify and hold the Fund, the Processors and/or Sub-Processors harmless for and against all financial consequences that may arise as a consequence of a failure to comply with the above requirements.

Data retention period

Personal Data will be kept in a form which permits identification of Data Subjects for at least a period of ten (10) years after the end of the financial year to which they relate or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes).

Recording of telephone conversations

Investors, including the Data Subjects related to him/her/it (who will be individually informed by the investors in turn) are also informed that for the purpose of serving as evidence of commercial transactions and/or any other commercial communications and then preventing or facilitating the settlement of any disputes or litigations, their telephone conversations with and/or instructions given to the Fund, the Management Company, the Depositary, the Domiciliary Agent, the Administrator, and/or any other agent of the Fund may be recorded in accordance with applicable laws and regulations. These recordings are kept during a period of seven (7) years or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes). These recordings shall not be disclosed to any third parties, unless the Fund, the Management Company, the Depositary, the Domiciliary Agent, the Administrator and/or any other agent of the Fund is/are compelled or has/have the right to do so under applicable laws and/or regulations in order to achieve the purpose as described in this paragraph.

Disclosure of identity

The Board, the Management Company or the Depositary may be required by law, regulation or government authority or where it is in the best interests of the Fund to disclose information in respect of the identity of the Shareholders.

The Fund is required under Luxembourg law to (i) obtain and hold accurate and up-to-date information (*i.e.*, full names, nationality/ies, date and place of birth, address and country of residence, national identification number,

nature and extent of the interest in the Fund) about its beneficial owners (as such term is defined under the AML Act 2004) and relevant supporting evidence and (ii) file such information and supporting evidence with the Luxembourg Register of beneficial owners (the "RBO") in accordance with the Luxembourg act of 13 January 2019 creating a Register of beneficial owners (the "RBO Act 2019").

The attention of Shareholders is drawn to the fact that the information contained in the RBO (save for the national identification number and address of the beneficial owner) will be available to the public as from 1 September 2019, unless a limited access exemption is applied for and granted. Luxembourg national authorities and professionals (as referred to in the AML Act 2004) may request that the Fund gives them access to the information on the beneficial owner(s) of the Fund (as well as its legal owners). Investors, their direct or indirect (share)holders who are natural persons, the natural person(s) who directly or indirectly control(s) the Fund, the natural person(s) on whose behalf Investors may act, may qualify as beneficial owner(s), and beneficial ownership may evolve or change from time to time in light of the factual or legal circumstances. Beneficial owners are under a statutory obligation to provide to the Fund all relevant information about them as referred to above. Non-compliance with this obligation may expose beneficial owners to criminal sanctions.

Each Investor will be required to make such representations and warranties that it will promptly provide upon request, all information, documents and evidence that the Fund may require to satisfy its obligations under any applicable laws and in particular the RBO Act.

The Fund and any of its services providers cannot incur any liability for any disclosure about a beneficial owner made in good faith to comply with Luxembourg laws.

4. Money Laundering Prevention – Luxembourg

In an effort to deter money laundering, the Fund, the Management Company, the Global Distributor and sub-distributors must comply with all international and Luxembourg laws, regulations and circulars applicable to them regarding the prevention of money laundering and in particular with the AML Act 2004, the Grand-Ducal Regulation dated 1st February 2010, CSSF Regulation N° 12-02 dated 14 December 2012 as well as CSSF circular 13/556 dated 16 January 2013 on money laundering, as may be amended or revised from time to time. To that end, the Fund, the Management Company, the Global Distributor and sub-distributors may request information necessary to establish the identity and the profile of a potential investor and the origin of subscription proceeds including the identification of the beneficial owner.

The concept of beneficial owner shall include at least:

(a) in the case of corporate entities:

(i) any natural person who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership;

(ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point (i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), any natural person who holds the position of senior member of management;

(b) in the case of "fiducies" and trusts:

(i) the settlor;

(ii) any "fiduciaire" or trustee;

(iii) the protector, if any;

(iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;

(v) any other natural person exercising ultimate control over the fiducie or trust by means of direct or indirect ownership or by other means;

(c) in the case of legal entities such as foundations, and legal arrangements similar to trusts, any natural person holding equivalent or similar positions to those referred to in point (b).

Accordingly, the Management Company may require, pursuant to its risks based approach, investors to provide proof of identity. In any case, the Management Company may require, at any time, additional documentation to comply with legal and regulatory requirements applicable to it.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons unless if required by applicable laws and regulations.

In case of delay or failure by an investor to provide the documents required, the application for subscription may not be accepted and in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Fund nor the Management Company have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation.

Shareholders may be, pursuant to the Management Company's risks based approach, requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under the relevant laws and regulations.

Failure to provide information or documentation deemed necessary for the Fund to comply with AML/CFT Regulations in force in Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application. No liability for any interest, costs or compensation will be accepted. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and AML/CFT documents of the shareholder have been completed. Furthermore, in such case, the Fund and/or the Administrator may take the measures that it considers to be appropriate, including but not limited to, the blocking of such shareholder's account until the receipt of the information and documents required. Any costs (including account maintenance costs) which are related to non-cooperation of such Shareholder will be borne by the respective Shareholder.

5. Conversion of Shares

Shareholders have the right, subject to the provisions hereinafter specified, to convert Shares from one Sub-Fund for Shares of another Sub-Fund and to convert Shares of a given class of Shares to Shares of another class of Shares.

The rate at which Shares of any class or Sub-Fund shall be converted will be determined by reference to the respective Net Asset Values of the relevant classes or Sub-Funds, calculated as of the Valuation Day following receipt of the documents referred to below.

If stated in Part B of this Prospectus in relation to a specific Sub-Fund, the Board of Directors may at its discretion levy a conversion fee up to a maximum of 5% of the Net Asset Value of the Shares being requested for conversion.

This amount will be payable to the Investment Manager.

Shares may be tendered for conversion on any Valuation Day.

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

No conversion of Shares will be effected until a duly completed request for conversion of Shares has been received by the Administrator from the shareholder.

Instructions for the conversion of Shares may be made by email, by post, by fax, by way of SWIFT or other electronic means (including conversion applications submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the application form), in accordance with the investors' instructions on the application form. Each application will be subject to appropriate security clearance procedures to protect the interests of investors. The Fund, the Management Company, and the Administrator shall not be responsible for any risks associated with using and relying on emails, *e.g.*, network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

Fractions of registered Shares will be issued on conversion and rounded down to one ten-thousandth of a Share.

Written confirmations of shareholding will be sent to shareholders within ten (10) Business Days after the relevant Valuation Day, together with the balance resulting from such conversion, if any.

In converting Shares of a class or Sub-Fund for Shares of another class or Sub-Fund, a shareholder must meet the applicable minimum initial investment requirements imposed by the acquired Sub-Fund.

If, as a result of any request for conversion, the investment held by any shareholder in a class or Sub-Fund would fall below the minimum amount, if any, indicated in this Prospectus, the Fund may treat such request as a request to convert the entire shareholding of such shareholder.

In the case of conversions involving the Shares of Sub-Funds expressed in different Reference Currencies, the conversion order will require the conversion of the Reference Currency from one Sub-Fund to another. Consequently, the number of Shares of the new Sub-Fund obtained in a conversion will be affected by the net foreign exchange rate, if any, applied to such exchange. Any such foreign currency exchange rate transactions will be effected on behalf of and at the expense of the shareholder.

Shares in any class or Sub-Fund will not be converted in circumstances where the calculation of the Net Asset Value per Share in the relevant classes or Sub-Funds is suspended by the Fund pursuant to Article 12 of the Articles.

In the case of suspension of dealings in Shares, the request for conversion will be dealt with on the first Valuation Day following the end of such suspension period.

6. Redemption of Shares

Each shareholder of the Fund may at any time request the Fund to redeem on any Valuation Day all or any of the Shares held by such shareholder in any of the classes or Sub-Funds.

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the Administrator.

Redemption requests should contain the following information (if applicable): the identity and address of the shareholder requesting the redemption, the number of Shares or the total amount to be redeemed and in the latter case the Management Company will determine the number of Shares required to be redeemed and should the number of Shares not be sufficient to satisfy the requested redemption amount the redemption will be processed for such lesser amount, the relevant class or Sub-Fund, the name in which such Shares are registered. All necessary documents to complete the redemption should be enclosed with such application.

Shareholders whose applications for redemption are accepted will have their Shares redeemed on any Valuation Day provided that the applications have been received by the Administrator in Luxembourg prior to 2 p.m., Luxembourg time, on the Business Day preceding the relevant Valuation Day. Applications received after 2 p.m., Luxembourg time, on the Business Day preceding the Valuation Day, will be dealt with on the next following Valuation Day.

Instructions for the redemption of Shares may be made by email, by post, by fax, by way of SWIFT or other electronic means (including redemptions applications submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the application form), in accordance with the investors' instructions on the application form. Each redemption application will be subject to appropriate security clearance procedures to protect the interests of investors. The Fund, the Management Company, and the Administrator shall not be responsible for any risks associated with using and relying on emails, *e.g.*, network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

Shares will be redeemed at a price based on the Net Asset Value per Share in the relevant class or Sub-Fund determined on the first Valuation Day following receipt of the redemption request.

The Redemption Price shall be paid no later than three Business Days after the applicable Valuation Day.

Payment will be made by transfer bank order to the account indicated by and used by the shareholder at the time of the subscription payment. Should this account be closed at any time after the subscription, notification should be made in writing to the Management Company, along with new account details.

Payment of the Redemption Price will automatically be made in the Reference Currency of the relevant class or Sub-Fund, except if instructions to the contrary are received from the shareholder; in such case, payment may be made in the Reference Currency of the Fund or in any other freely convertible currency and any currency conversion cost shall be deducted from the amount payable to that shareholder.

The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

Shares in any class or Sub-Fund will not be redeemed if the calculation of the Net Asset Value per Share in such class or Sub-Fund is suspended by the Fund in accordance with Article 12 of the Articles.

Notice of any such suspension shall be given in all the appropriate ways to the shareholders who have made a redemption request which has been thus suspended. In the case of suspension of dealings in Shares, the request will be dealt with on the first Valuation Day following the end of such suspension period.

If, as a result of any request for redemption, the investment held by any shareholder in a class or Sub-Fund would fall below the minimum amount indicated in Part B of the present Prospectus, the Fund may treat such request as a request to redeem the entire shareholding of such shareholder.

Furthermore, if on any Valuation Day redemption requests pursuant to Article 8 and conversion requests pursuant to Article 9 of the Articles relate to more ten percent (10%) of the Shares in issue in a specific Sub-Fund or in case of a strong volatility of the market or markets on which a specific Sub-Fund is investing, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Sub-Fund, but normally not exceeding thirty (30) days. On the next Valuation Day following such period, these redemption and conversion requests will be met in priority to later requests.

The Board of Directors may also decide, with the consent of the relevant shareholder, to differ a redemption request on different subsequent Valuation Days.

If the value of the net assets of any Sub-Fund on a given Valuation Day has decreased to an amount determined

by the Board of Directors and currently fixed at EUR 10.000.000,00.- (or its equivalent in another currency) to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation or in order to proceed to an economic rationalization, the Board of Directors may, at its discretion, elect to redeem all, but not less than all, of the Shares of such Sub-Fund then outstanding at the Net Asset Value per Share in such Sub-Fund (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall provide at least 30 days' prior written notice of redemption to all holders of the Shares to be so redeemed. Redemption proceeds corresponding to Shares not surrendered at the date of the compulsory redemption of the relevant Shares by the Fund may be kept with the Depositary during a period not exceeding six months as from the date of such compulsory redemption; after this delay, these proceeds shall be kept in safe custody at the *Caisse de Consignation*. In addition, if the net assets of any Sub-Fund do not reach or fall below a level at which the Board of Directors considers management possible, the Board of Directors may decide the merger of one Sub-Fund with one or several other Sub-Funds of the Fund in the manner described in this Part A in the Section XX. “General Information” under the heading “Dissolution and Merger”.

If for any reason the aggregate share price of a particular class of Shares within a Sub-Fund falls below, or fails to attain, the value considered by the Board of Directors to be the minimum value required to ensure efficient financial management of such class, or in the event of any material change in the political, economic or monetary situation, or in the interest of rationalisation, the Board of Directors may resolve to redeem all Shares of the applicable class(es) at the share price calculated on the Valuation Day on which such resolution takes effect. The Fund will inform the holders of the relevant class(es) accordingly before the effective date of the compulsory redemption, detailing the reasons for and the procedure of the redemption. Subject to any other decision in the interest of shareholders, or to ensure the equitable treatment of shareholders overall, shareholders of the relevant class may still apply for Shares to be redeemed or converted free of charge before the compulsory redemption takes effect.

Article 10 of the Articles enables the Fund to compulsorily redeem Shares held by U.S. persons.

XII. DETERMINATION OF THE NET ASSET VALUE

1. Calculation and Publication

The Net Asset Value per Share of each class in respect of each Sub-Fund shall be determined in the Reference Currency of that class or Sub-Fund.

The Net Asset Value per Share of each class in a Sub-Fund shall be calculated, and rounded up to one hundred-thousandth, as of any Valuation Day (as defined hereinafter) by dividing the net assets of the Fund attributable to such class in any Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such class on any such Valuation Day) by the total number of Shares in the relevant class then outstanding.

Unless stated otherwise in Part B of this Prospectus in relation to a particular Sub-Fund, every Business Day shall be a Valuation Day.

When preparing the audited annual report, the Fund may calculate for each Sub-Fund concerned an additional valuation of the securities portfolio using closing prices at year-end. Therefore, where applicable, the Fund may, on the last day of the fiscal year, calculate two Net Asset Values for the Sub-Funds concerned, one based on the principle of a portfolio valuation at the latest prices available at the time of calculating the price to be used for subscriptions, redemptions and conversions processed on that date and the other based on the principle of a portfolio valuation using the closing prices at year-end intended for publication in the audited annual report. To avoid any risk of confusion for investors, the audited annual report shall clearly mention the double calculation of the Net Asset Value for the Sub-Funds concerned and an explanatory note shall be inserted in the said report indicating the reasons for the difference between the Net Asset Value calculated on the basis of the said closing prices and the Net Asset Value applied to subscriptions, redemptions and conversions.

If, since the time of determination of the Net Asset Value per Share on the relevant Valuation Day (as defined

hereinafter), there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the Fund may, in order to safeguard the interests of the shareholders and the Fund, cancel the first valuation and carry out a second valuation. All subscription, redemption and conversion requests shall be treated on the basis of this second valuation.

The Net Asset Value per Share of each class is determined on the day specified for each Sub-Fund in Part B of this Prospectus (the "**Valuation Day**") on the basis of the value of the underlying investments of the relevant Sub-Fund, determined as follows:

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

(b) The value of Transferable Securities, Money Market Instruments and any other assets admitted to official listing on any stock exchange or dealt on any Other Regulated Market shall be based on the latest available price or, if appropriate, on the average price on the stock exchange or Other Regulated Market which is normally the principal market of such securities or instruments.

(c) In the event that any assets are not listed or dealt in on any stock exchange or on any Regulated Market and/or any Other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or any Regulated Market and/or Other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) is, in the opinion of the Directors, not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith by the Directors.

(d) The liquidating value of futures, forward or options contracts not admitted to official listing on any stock exchange or dealt on any Regulated Markets and/or any Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established prudently and in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts admitted to official listing on any stock exchange or dealt on any Regulated Markets and/or any Other Regulated Markets shall be based upon the last available settlement prices of these contracts on stock exchanges and Regulated Markets and/or Other Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable. Swaps will be valued at their market value.

(e) The value of Money Market Instruments not admitted to official listing on any stock exchange or dealt on any Regulated Market and/or any Other Regulated Market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of 90 days or less and not admitted to official listing on any stock exchange or dealt on any Regulated Market and/or any Other Regulated Market will be valued by the amortized cost method, which approximates market value.

(f) Units or shares of an open-ended UCI will be valued at their last determined and available official net asset value, as reported or provided by such UCI or their agents, or at their last unofficial net asset values (*i.e.*, estimates of net asset values) if more recent than their last official net asset values, provided that due diligence has been carried out by the Investment Manager, in accordance with instructions and under the overall control and responsibility of the Board of Directors, as to the reliability of such unofficial net asset values. The Net Asset Value calculated on the basis of unofficial net asset values of the target UCI may differ from the net asset value which would have been calculated, on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the target UCI. The Net Asset Value is final and binding notwithstanding any different later determination. Units or shares of a closed-ended UCI will be valued in

accordance with the valuation rules set out in items (b) and (c) above.

(g) All other securities and other assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

For the purpose of calculating the Net Asset Value per Share, the Management Company, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error, upon the valuations provided (i) by various pricing sources available on the market such as pricing agencies (*i.e.*, Bloomberg, Reuters) or fund administrators, (ii) by Prime Brokers, brokers or external depositories, (iii) by (a) specialist(s) duly authorised to that effect by the Board of Directors or (iv) directly by the Board of Directors.

In such circumstances, the Management Company shall not, in the absence of manifest error on its part, be responsible for any loss suffered by the Fund or any shareholder by reason of any error in the calculation of the Net Asset Value per Share resulting from any inaccuracy in the information provided (i) by various pricing sources available on the market such as pricing agencies (*i.e.*, Bloomberg, Reuters) or fund administrators, (ii) by Prime Brokers, brokers or external depositories, (iii) by (a) specialist(s) duly authorised to that effect by the Board of Directors or (iv) directly by the Board of Directors.

In circumstances where (i) one or more pricing sources fails to provide valuations to the Management Company, or where (ii) the value of any asset(s) may not be determined as rapidly and accurately as required, the Management Company shall inform the Board of Directors thereof and the Management Company shall obtain from the Board of Directors authorised instructions in order to enable it to finalize the computation of the Net Asset Value per Share.

The Board of Directors may then decide to suspend the calculation of the Net Asset Value per Share in accordance with the procedures described under the heading "Temporary Suspension of the Calculation" below. In such circumstances, the Management Company shall not, in the absence of manifest error on its part, be responsible for any loss suffered by the Fund or any shareholder.

The Board of Directors shall be responsible for notifying the suspension of the Net Asset Value calculation to the shareholders, if required, or for instructing the Management Company to do so. If the Board of Directors does not decide to suspend the Net Asset Value calculation in a timely manner, it shall be liable for all the consequences of a delay in the Net Asset Value calculation, and the Management Company may inform the relevant authorities and the Fund's auditor in due course.

Adequate provisions will be made, Sub-Fund by Sub-Fund, for expenses to be borne by each of the Fund's Sub-Fund's and off-balance-sheet commitments may possibly be taken into account on the basis of fair and prudent criteria.

The net proceeds from the issue of Shares in the relevant Sub-Fund are invested in the specific portfolio of assets constituting such Sub-Fund.

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

With respect to the protection of investors in case of net asset value calculation error and the correction of the consequences resulting from non-compliance with the investment rules applicable to the Fund, the principles and rules set out in CSSF circular 02/77 of 27 November 2002, as amended from time to time, shall be applicable. As a result, the liability of the Management Company in the context of the net asset value calculation process shall be limited to the tolerance thresholds applicable to the Fund set out in CSSF circular 02/77, as amended from time to time.

Each Sub-Fund shall only be responsible for the liabilities, which are attributable to such Sub-Fund.

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

The Board of Directors, in its discretion, may permit other methods of valuation to be used if it considers that such valuation better reflects the fair value of any assets.

The Net Asset Value per Share and the issue, redemption and conversion prices for the Shares in each Sub-Fund may be obtained during business hours at the registered office of the Fund and will be published in such newspapers as determined for each Sub-Fund in Part B of this Prospectus.

2. Temporary Suspension of the Calculation

In each Sub-Fund, the Fund may temporarily suspend the calculation of the Net Asset Value per Share and the issue, redemption and conversion of Shares during:

(a) any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to such Sub-Fund quoted thereon;

(b) the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable;

(c) any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;

(d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;

(e) any period when for any other reason the prices of any investments owned by the Fund attributable to such Sub-Fund cannot promptly or accurately be ascertained;

(f) any period when the Directors so decide, provided all shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an Extraordinary General Meeting of shareholders of the Fund or a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund and (ii) when the Directors are empowered to decide on this matter, upon their decision to liquidate or dissolve a Sub-Fund;

(g) any period when the market of a currency in which a substantial portion of the assets of the Fund is denominated is closed other than for ordinary holidays, or during which dealings therein are suspended or restricted;

(h) any period when political, economic, military, monetary or fiscal circumstances which are beyond the control and responsibility of the Fund prevent the Fund from disposing of the assets, or determining the net asset value of the Fund in a normal and reasonable manner; or

(i) following the suspension of the calculation of the net asset value per share/unit at the level of a master fund in which the Fund invests in its quality as feeder fund of such master fund, to the extent applicable.

The Fund may suspend the issue and redemption of its Shares from its shareholders as well as the conversion from and to shares of each class following the suspension of the issue, redemption and/or the conversion at the level of a master fund in which the Fund invests in its quality as feeder fund of such master fund, to the extent applicable.

When exceptional circumstances might adversely affect shareholders' interests or in the case that significant requests for subscription, redemption or conversion are received, the Directors reserve the right to set the value of shares in one or more Sub-Funds only after having sold the necessary securities, as soon as possible, on behalf of the Sub-Fund(s) concerned. In this case, subscriptions, redemptions and conversions that are simultaneously in the process of execution will be treated on the basis of a single Net Asset Value in order to ensure that all shareholders having presented requests for subscription, redemption or conversion are treated equally.

Any such suspension of the calculation of the Net Asset Value shall be notified to the subscribers and shareholders requesting redemption or conversion of their shares on receipt of their request for subscription, redemption or conversion.

Suspended subscriptions, redemptions and conversions will be taken into account on the first Valuation Day after the suspension ends.

Any application for subscription, redemption or conversion of Shares is irrevocable except in case of suspension of the calculation of the Net Asset Value per Share in the relevant Sub-Fund, in which case shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with on the first Valuation Day following the end of the period of suspension.

XIII. DISTRIBUTION POLICY

The Fund may issue both Accumulation Shares and Dividend Shares as described in the Section X. "The Shares". The policy of the Fund with respect to Accumulation Shares is to make no dividend distributions and to accumulate all net earnings within the relevant Share class and portfolio while for Dividend Shares is to pay dividends.

The Board of Directors will determine the distribution policy for each relevant class of Dividend Shares. The Board of Directors has decided that dividends will be distributed at least annually with respect to the Dividend Shares.

Whenever dividends are distributed to holders of Dividend Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Accumulation Shares will remain unaffected by the distribution made to holders of Dividend Shares.

If requested by a shareholder, dividends declared with respect to Dividend Shares will be reinvested in Shares of the same class of Shares and the shareholder will be advised of the details by a dividend statement.

For each Sub-Fund or class of Shares, the Board of Directors reserves the right to declare a dividend at any time, in compliance with legal requirements.

Payments of distributions to holders of registered Shares shall be made to such shareholders at their address in the register of shareholders. Distribution may be paid in such currency and at such time and place that the Board of Directors shall determine from time to time.

The Board of Directors may decide to distribute stock dividends in lieu of cash dividends upon such terms and conditions as may be set forth by the Board of Directors, and upon having obtained specific consent from the general meeting of shareholders.

The annual general meeting of shareholders may also decide on the payment of further dividends.

No interest shall be paid on a dividend declared by the Fund and kept by it at the disposal of its beneficiary.

Dividend distributions are not guaranteed with respect to any class of Shares. In any event, no distribution may be made if, as a result, the Net Asset Value of the Fund would fall below EUR 1,250,000.-.

Any distribution that has not been claimed within five (5) years of its declaration shall be forfeited and revert to the Sub-Fund relating to the relevant class or classes of Shares.

XIV. CHARGES AND EXPENSES

1. General

The Fund pays out of the assets of the relevant Sub-Fund all expenses payable by the Fund which shall include but not be limited to formation expenses, fee payable to the Management Company, fees payable to its Investment Manager including performance fees, if any, fees and expenses payable to its auditors and accountants, the Depositary and its correspondents, the domiciliary agent, the Management Company, the Administrator, any nominee and placing agent, any centralization agent, any listing agent, any paying agent, any pricing agent, any foreign supervisory authorities, any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration (if any) of the Directors and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

In the case where any liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such liability shall be allocated to all the Sub-Funds pro rata to their Net Asset Values or in such other manner as determined by the Board of Directors acting in good faith.

Additional one off expenses which are incurred by the Fund from time to time may also be amortized over a maximum period of five years.

In the event that any additional Sub-Fund is set up within the Fund, then the following amortization rules shall apply: The costs and expenses for setting-up such additional Sub-Fund shall be borne by the relevant Sub-Fund and will be written off over a period of five years. Hence, the additional Sub-Fund shall not bear a pro rata of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the additional Sub-Fund.

2. Fees of the Management Company and Domiciliation Agent

The Management Company will receive from the Fund a fee (namely, the "**Fund Management Fee**") payable in arrears at the end of each calendar month, calculated and accrued on each Valuation Day at a rate per annum of 0.03% of the net asset value of the Fund.

The Domiciliation Agent will receive from the Fund a fee in accordance with the Domiciliation and Corporate Services agreement executed between the Fund and the Domiciliation Agent.

3. Fees of the Investment Manager

The Investment Manager is entitled to receive from the relevant Sub-Fund a fee payable in arrears at the end of each month, as determined in Part B of this Prospectus.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all shareholders (or their agents including the Directors) or to distributors, part or all of its fees on eligible share classes disclosed in Section X. "The Shares" or in the relevant Sub-Fund Appendix.

4. Performance Fee

The Investment Manager will also be entitled to a Performance Fee out of the assets of each Sub-Fund as determined in Part B of this Prospectus.

5. Fees of the Depositary and Administrator

For the provision of their services, the fees charged to the Fund by (i) the Depositary, and (ii) the Administrator shall amount to a maximum of 0.12% per annum of the average net assets of the relevant Sub-Fund, subject to annual minimum fees of EUR 13,000.- per Sub-Fund *per annum* for the Depositary and EUR 36,000.- per Sub-Fund *per annum* for the Administrator. Such fees will be calculated quarterly on the basis of the average net assets of the Sub-Fund during the relevant quarter. The Depositary fees will be paid directly by the Fund to either the Depositary or to the Administrator which will then be in charge to pay the Depositary. In addition to the above-mentioned fees, the Administrator and the Depositary are entitled to any other fees for specific services and transactions as agreed from time to time between the Fund and the Depositary and disclosed in the agreements. They are further entitled to be reimbursed by the Fund for their respective reasonable out-of-pocket expenses properly incurred in carrying out their duties as such and for the charges of any correspondents.

6. Research Account Provision

The Investment Manager's managing board has reviewed the impact of MiFID - as expressed in the FCA's Conduct of Business Sourcebook (COBS) 2.3 & 2.3B rules regarding the receipt and payment for third party research services.

They have concluded that a carefully chosen selection of appropriate investment services - competitively priced and assessed in terms of their benefit to specific individual investment strategies - should be included in an annual research budget and charged to clients via a Research Payment Account (a "**RPA**").

The Investment Manager's research budget has been set as a total USD amount by the individual fund managers of the investment strategies and will be applied to the funds and client accounts run by those managers.

The RPA has been set with regard to the specific third party research services that fund managers believe will be most important in enabling them to deliver the investment objectives of each fund or client mandate.

The Investment Manager's managing board has approved both the individual strategy by strategy budget and the overall budgeted amount for research services, including the appropriateness of the services and providers chosen. This budget includes an unallocated amount which should allow any variable research costs to be absorbed and should ensure that total charges collected from clients won't exceed the research budget. The spend versus the budget will be monitored monthly, and any rebate or carry-over will be assessed annually and split fairly client by client.

The Board of Directors, upon approval from the Investment Manager, shall further review and approve the RPA budget paid out of the Fund's assets on an annual basis and which is covered by the ongoing fees.

Where the same third party research service is used by different investment teams within the Investment Manager, the budget and subsequent charges paid by the RPA will be allocated based on usage by that team, normally based on the number of individual users at the Investment Manager but sometimes based on differently priced services provided by the same research provider to different investments teams at the Investment Manager.

The internal administration and management of the research budget, the monitoring of prices per provider and

the ongoing payment of charges is the responsibility of Investment Manager's Head of Dealing, together with both the Chief Operating Officer ("COO") and Chief Compliance Officer ("CCO").

The RPA will be administered by Instinet under the supervision of the Investment Manager, and only the Investment Manager can authorise payments from the RPA to research providers. This will provide the Investment Manager with the ability to summarise providers paid from the RPA, the total amounts paid over defined periods, to describe the benefits and services received by the Investment Manager and the variance of spend versus budget.

The ongoing management of the research received and the assessment of its quality and appropriateness will be conducted by the Investment Manager utilising a research aggregator tool, which is widely adopted by other fund managers for this purpose. A formal review process will take place quarterly.

The Investment Manager will supply a copy of this policy and the research budget to the Board of Directors.

The funding of the RPA will triggered by a signed payment instruction from the Investment Manager by the COO and Head of Distribution, in accordance with the Board of Directors' decision to pay the broker research directly to "Instinet Europe Limited" who has been contracted by the Investment Manager to carry out the research fee payments to brokers on behalf of the Sub-Funds.

XV. MANAGEMENT COMPANY

The Board of Directors has appointed ONE Fund Management S.A. as management company of the Fund ("**Management Company**") to perform investment management, administration, and marketing functions as described in Annex 2 of the 2010 Law pursuant to an agreement entered into between the Fund and the Management Company ("**Fund Management Company Agreement**"**)** which may be terminated by a written prior notice given three (3) months in advance by either party to the other.

The Management Company was incorporated on 9 December 2019, as a public limited company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies' Register under number B.240884. The Management Company is licensed by the CSSF as a management company of UCITS in accordance with Chapter 15 of the 2010 Law. The Management Company has a subscribed and paid-up capital of EUR 125,000.-.

At the date of this Prospectus, the composition of the board of directors of the Management Company is described in Section "Directory".

The conducting officers listed in Section "Directory" are the managers responsible for the day-to-day activities of the Management Company within the meaning of Article 102 of the 2010 Law, and CSSF Circular 18/698.

The Management Company is authorised, for the purpose of more 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. The Management Company shall remain liable to the Fund in respect of all matters so delegated. The Management Company will require any such agent to which it intends to delegate its duties to comply with the provisions of the Prospectus, the Articles and the relevant provisions of the Fund Management Company Agreement.

In relation to any delegated duty, the Management Company will implement appropriate control mechanisms and procedures, including risk management controls, and regular reporting processes in order to ensure an 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, the Prospectus and the agreement entered into with the relevant third party service provider. The Management Company has delegated the following functions in respect of the Fund and its Sub-Funds:

- ✓ the global distribution function to Polar Capital LLP for coordination of distribution agreements;
- ✓ the investment management function to Polar Capital LLP;
- ✓ the administrative functions to Northern Trust Global Services SE.

The Management Company will 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 authorisations required to carry out the functions delegated to them.

The terms and conditions of the remuneration of the Management Company appear in Section XIV. "Charges and Expenses".

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**").

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 Sub-Funds.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the investors and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- the remuneration of the staff, including senior management, complies with the applicable laws and regulations, including, without limitation, the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575), taking into consideration the risk profile, appetite and risk strategy of the Management Company and each of the funds under its management.
- In both qualitative or quantitative terms, the Remuneration Policy promotes sound and effective risk management, including with respect to sustainability risks.
- 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.

Details of the Remuneration Policy is available on the website www.one-gs.com[3]. A paper copy of the summarised Remuneration Policy is available free of charge to the shareholders upon request.

The Fund Management Company Agreement has been entered into for an undetermined period of time and may be terminated by either party upon serving to the other a three months' prior written notice.

XVI. DEPOSITARY

The Fund has appointed Northern Trust Global Services SE, as depositary of its assets pursuant to a Depositary Bank Agreement.

The Depositary is a credit institution constituted as European company (*Societas Europaea*), authorised in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, subject to

[3] To find the Management Company's Remuneration policy, please use the following link: https://www.one-gs.com/legal

the supervision by the European Central Bank and the CSSF and registered with the Luxembourg Trade and Companies' Register under number B232281. Its registered office is at 10, rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg. The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Illinois, United States of America.

Duties of the Depositary

The Depositary is entrusted with the safekeeping of the Fund's assets. All financial instruments that can be held in custody are registered in the Depositary's books within segregated accounts, opened in the name of the Fund, in respect of each Fund, as the case may be. For other assets than financial instruments and cash, the Depositary must verify the ownership of such assets by the Fund in respect of each Sub-Fund, as the case may be. Furthermore, the Depositary shall ensure that the Fund's cash flows are properly monitored.

The Depositary will also, in accordance with the Luxembourg laws and the Depositary Bank Agreement:

(i) ensure that the sale, issue, conversion, repurchase, redemption and cancellation of the shares of the Fund are carried out in accordance with Luxembourg laws and the Articles;
(ii) ensure that the value of the shares of the Fund is calculated in accordance with Luxembourg laws and the Articles;
(iii) carry out the instructions of the Fund and the Management Company, unless they conflict with Luxembourg laws or the Articles;
(iv) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and
(v) ensure that the Fund's income is applied in accordance with Luxembourg laws and the Articles.

Delegation of functions

Under the terms of the Depositary Bank Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the Directive and all laws, regulations and guidelines applicable in Luxembourg, as may be amended from time to time (the "**UCITS Regulations**") (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) it has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of its services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. An up-to-date list of third-party delegates appointed by the Depositary and of the delegates of these third-party delegates is available at www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing.

The Depositary Bank Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

Conflicts of interest

The Depositary and its affiliate companies provide a variety of services to their clients including those clients for whom the Depositary acts as depositary. As an example, the Management Company has appointed Northern Trust Global Services SE to provide certain administrative functions, including fund accounting, calculation and registrar and transfer agency services to the Fund.

Accordingly, potential conflicts of interests may arise which must be appropriately identified, managed and disclosed. In order to meet such regulatory requirements in relation to such conflicts of interests, the Depositary

has in place procedures which ensure that it is acting in the best interests of the shareholders. A key element of ensuring the Depositary acts in the best interests of investors is the operational and organisational separation between the depositary function and the other services provided by the Depositary or its affiliates.

The Depositary has delegated custody services to either an affiliate company or third-party sub-custodians in certain eligible markets in which the Fund may invest, listed on www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing.

It is therefore possible that the Depositary (or any of its affiliates) and/or its sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with those of the Fund and/or other entities for which the Depositary (or any of its affiliates) acts.

Notwithstanding whether an affiliate company or a third-party sub-custodian has been appointed, the Depositary has undertaken and shall undertake regular due diligence reviews on such sub-custodians utilising identical standard questionnaires and checklists allowing it to manage any conflicts of interests that may potentially arise.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any of the sub-delegates listed on www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing.

If however a conflict of interests arises, the Depositary will have regard in such event to its obligations under the Depositary Bank Agreement and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of the Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Where the arrangements under the conflicts of interest policies are not sufficient to manage a particular conflict, the Depositary will inform the Fund of the nature of the conflict so the Fund can choose whether to continue to do business with the Depositary.

Miscellaneous

The Depositary Bank Agreement provides that the appointment of the Depositary will continue unless and until terminated by the Fund or the Depositary giving to the other parties not less than ninety (90) calendar days' written notice. The appointment of the Depositary shall continue in force until a replacement Depositary approved by the CSSF has been appointed and provided further that if, within a period of two (2) months as from the date on which the notice period of ninety (90) calendar days mentioned above expires, no replacement Depositary shall have been appointed, the Fund shall apply to the CSSF for an order to wind up the Fund. The Depositary Bank Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

The Management Company is party to the Depositary Bank Agreement also regulates the flow of information deemed necessary to allow the Depositary to perform its functions as depositary of the Fund. The Depositary Bank Agreement describes, in particular, the Depositary's obligations and procedures with respect to the Fund 's assets, including for the custody and safekeeping of each type of asset of the Fund, the procedures applicable in case of modification to the Articles, this Prospectus and other documents relating to the Fund, the exchange of information between the Management Company and the Depositary regarding the Fund (notably, with respect to delegations and the subscription/redemption of Shares), the Fund's compliance with applicable laws and regulations in relation to anti-money laundering and combating the financing of terrorism and the treatment of confidential information.

Any of the information disclosed with regard to the Depositary may be updated from time to time and such up-to-date information is available to investors upon request in writing from the Depositary.

XVII. ADMINISTRATOR

Upon recommendation and with the consent of the Fund, the Management Company has appointed Northern Trust Global Services SE as administration, registrar and transfer agent pursuant to the Administration Agreement. The Administrator will have the responsibility for the administration of the Fund 's affairs including the calculation of the Net Asset Value and preparation of the accounts of the Fund, subject to the overall supervision of the Management Company.

Northern Trust Global Services SE, is a credit institution constituted as European company (*Societas Europaea*), authorised in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, subject to the supervision by the European Central Bank and the CSSF registered with the Luxembourg Trade and Companies' Register under number B 232281. Its registered office is at 10, rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg and its ultimate holding company is Northern Trust Corporation which is incorporated in the United States of America.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Administration Agreement may also be terminated immediately by either party in accordance with the terms of the Administration Agreement, where one party commits an irremediable breach of its obligations, the event of a winding up or like event of the other party or if the continued performance of the Administration Agreement for any reason ceases to be lawful. The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Management Company and the Fund will not be affected by any delegation of functions by the Administrator.

In order to fulfil its role, the Administrator has entered into outsourcing arrangements (including but not limited to operational, administrative and control functions, reporting, risk management, legal and regulatory compliance, client/investor services, tasks relating to group management, control functions and support functions, business continuity, product development, IT and other technical support) with third party service providers, affiliates or branches from the Northern Trust group and third parties which may be located outside Luxembourg (and potentially the EEA) and in particular in Ireland, India, the Philippines, the United Kingdom and the United States of America (the "**Sub-contractors**") (more information on these Sub-contractors can be found on the following website https://locations.northerntrust.com/index.html). (As part of these outsourcing arrangements, the Administrator may be required to disclose and transfer personal and confidential information and documents about shareholders and individuals related to the shareholders (the "**Related Individuals**") such as identification data – including the shareholder and/or the Related Individual's name, address, national identifiers, date and country of birth, etc. account information, contractual and other documentation and transaction information) (the "**Confidential Information**") to the Sub-contractors (the "**Data Transfer**"). In accordance with Luxembourg law, the Administrator is required to provide a certain level of information about those outsourcing arrangements to the Fund, which, in turn, must be provided by Fund to the shareholders.

Confidential Information may be transferred to Sub-contractors established in countries where professional secrecy or confidentiality obligations are not equivalent to the Luxembourg professional secrecy obligations applicable to the Administrator. The Administrator put in place standard data protection clauses adopted by the EU Commission with its processors and approved third party sub-contractors located outside the EEA. In any event, the Administrator is legally bound to, and has committed to the Fund that it will enter into outsourcing arrangements with Sub-contractors which are either subject to professional secrecy obligations by application of law or which will be contractually bound to comply with strict confidentiality rules. The Administrator has further committed to the Fund that it will take reasonable technical and organisational measures to ensure the confidentiality of the Confidential Information subject to the Data Transfer and to protect Confidential Information against unauthorised processing. Confidential Information will therefore only be accessible to a limited number of persons within the relevant Sub-contractor, on "a need to know" basis and following the principle of the "least privilege". Unless otherwise authorised/required by law, or in order to comply with requests from national or

foreign regulatory authorities or law enforcement authorities, the relevant Confidential Information will not be transferred to entities other than the Sub-contractors.

By subscribing to Shares, each Shareholder has consented and agreed to the communication of the Confidential Information by the Administrator to the Sub-contractors.

XVIII. INVESTMENT MANAGER

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Fund, subject to the powers expressly assigned by law to the general meeting of shareholders.

The Board of Directors has been given power to administer and manage the Fund and to decide on its objectives and the investment policy to be pursued by each Sub-Fund.

Following the Fund Management Company Agreement, the Management Company shall be responsible for the investment management of the assets of the Fund.

In order to carry out its activities, the Management Company shall appoint one or more investment managers for each Sub-Fund, as specified in Part B of this Prospectus (individually the "**Investment Manager**" and collectively the "**Investment Managers**") who may, subject to the approval of the Management Company, sub-delegate its powers, in which case the Prospectus shall be updated accordingly.

The Investment Manager provides the Management Company with advice, reports and recommendations in connection with the management of the assets of the Sub-Funds and shall advise the Management Company as to the selection of the securities and other assets constituting the portfolios of the Sub-Funds and, pursuant to the agreement as set forth below, has discretion, on a day-to-day basis and subject to the overall control and responsibility of the board of directors of the Management Company, to purchase and sell securities and otherwise to manage the Sub-Funds' portfolios. Thus, the Investment Manager takes the investment decisions for the relevant Sub-Funds. In addition, the relevant Investment Manager may designate an Investment Advisor or Sub-Investment Manager, who will be paid by the Investment Manager.

In the course of the Investment Manager's business of managing portfolios for clients (including the Fund), conflicts may arise between the various clients. In the event that a conflict arises, the Investment Manager will endeavour to ensure that such conflicts are resolved fairly and in an equitable manner.

The rights and duties of the Investment Manager are governed by an agreement entered into for an unlimited period of time and which may be terminated by the Management Company or the Fund or by the Investment Manager in accordance with the Investment Management Agreement concluded between the Fund, the Management Company and Polar Capital LLP, as amended from time to time.

Unless otherwise stated in Part B of this Prospectus, Polar Capital LLP is acting as Investment Manager for each Sub-Fund. Polar Capital LLP is regulated by the FCA and has its registered office at 16 Palace Street, London SW1E 5JDE, United Kingdom.

The Investment Manager also provides investment management services for a range of funds and various private client and institutional segregated accounts.

XIX. TAXATION

1. General

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. It does not purport to be a complete analysis of all possible tax situations that may be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to

be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders.

It is expected that shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each shareholder subscribing, buying, holding, exchanging, redeeming or otherwise disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with a shareholder's personal circumstances. Shareholders should be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in this Section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu des personnes physiques*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies and taxes. Corporate income tax, municipal business tax, net wealth tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Prospective shareholders should inform themselves of, and when appropriate, consult their professional advisors with regard to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

2. Taxation of the Fund

Income and net wealth tax

The Fund is not subject to income tax and net wealth tax in Luxembourg.

The Fund may be subject to withholding taxes on dividends, interest and tax on capital gains in the country of origin of its investments. As the Fund itself is exempt from income tax, withholding tax levied at source, if any, is not creditable/refundable in Luxembourg. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Fund is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to the Fund.

Subscription tax

The Fund is however subject to an annual subscription tax (*taxe d'abonnement*) of 0.05% in Luxembourg, such tax being calculated and payable quarterly, on the aggregate net assets of the Fund valued on the last day of each quarter.

This rate is 0.01% for:

a) UCIs as well as individual compartments of UCIs with multiple compartments whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions;
b) UCIs as well as individual compartments of UCIs with multiple compartments whose exclusive object is the collective investment in deposits with credit institutions;
c) individual compartments of UCIs with multiple compartments referred to in this Law as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple

compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Where the proportion of net assets of a UCI or of an individual compartment of a UCI with multiple compartments invested in sustainable economic activities as defined in Article 3 of Regulation (EU) 2020/852 of 79 the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending SFDR (hereinafter "**Regulation (EU) 2020/852**"), which is disclosed in accordance with that regulation, a lower rate may apply under certain conditions and depending on such invested proportion compared to the aggregate net assets of the UCI or of the individual compartment of the UCI with multiple compartments.

Are however exempt from subscription tax:

a) the value of the assets represented by units held in other UCIs to the extent such units have already been subject to the subscription tax provided for by Article 174 of the 2010 Law or by Article 68 of the 2007 Law or by Article 46 of the 2016 Law;
b) UCIs as well as individual compartments of UCIs with multiple compartments:
   (i) whose securities are reserved for institutional investors; and
   (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions; and
   (iii) whose weighted residual portfolio maturity does not exceed 90 days; and
   (iv) that have obtained the highest possible rating from a recognised rating agency;

   Where several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;
c) UCIs as well as individual compartments of UCIs with multiple compartments whose securities are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they hold in order to provide their employees with retirement benefits;
d) UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions;
e) UCIs as well as individual compartments of UCIs with multiple compartments:
   (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and
   (ii) whose exclusive object is to replicate the performance of one or more indices.

   If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition of sub-point (i).

Withholding tax

There is no withholding tax in Luxembourg on any dividend distribution made by the Fund or on any payment upon redemption of Shares. There is also no withholding tax on the distribution of liquidation proceeds to the shareholders.

Other taxes

No stamp duty or other tax is generally payable in Luxembourg in connection with the issue of the Shares by the Fund, except a fixed registration duty of EUR 75.- which is paid upon the Fund's incorporation or any amendment of its articles.

Value added tax

The Fund is considered in Luxembourg as a taxable person for value added tax ("**VAT**") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the

VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

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

3. Taxation of the shareholders

Tax residency

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

Income tax

For the purposes of this Section, a disposal may include a sale, an exchange, a contribution, a transfer, a cancellation, a redemption or any other kind of alienation of the Shares. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

Resident individuals

Any dividend and other payment derived from the Shares received by Luxembourg resident individual shareholders, acting in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the progressive ordinary rates.

Capital gains realised upon the disposal of the Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this disposal takes place more than six (6) months after the Shares were acquired and provided the Shares do not represent a substantial shareholding[4]. Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method (*i.e.*, the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation).

Capital gains realised upon the disposal of the Shares by a Luxembourg resident individual shareholder acting in the course of the management of his professional/business activity are subject to income tax at ordinary rates.

Resident corporations

Luxembourg resident corporate shareholders (*sociétés de capitaux*) must include any profits derived, as well as any gain realised on the disposal of the Shares, in their taxable profits for Luxembourg income tax assessment purposes.

Residents benefiting from a special tax regime

Luxembourg resident shareholders benefiting from a special tax regime, such as (i) UCIs subject to the 2010 Law, (ii) specialised investment funds governed by the 2007 Law, (iii) family wealth management companies governed by the amended law of 11 May 2007 and (iv) reserved alternative investment funds treated as specialised investment funds for Luxembourg tax purposes and governed by the 2016 Law, are tax exempt entities in

[4] A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five (5) years preceding the realisation of the gain, more than ten percent (10%) of the share capital of the Fund or (ii) the shareholder acquired free of charge, within the five years preceding the disposal, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period).

Luxembourg and are thus not subject to any Luxembourg income tax.

Non-residents

Shareholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not subject to any tax on income and capital gains in Luxembourg.

Shareholders who are non-residents of Luxembourg but who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable must include any income received, as well as any gain realised on the disposal of the Shares in their taxable income for Luxembourg tax assessment purposes.

Net wealth tax

In general, Luxembourg non-resident shareholders are not subject to net wealth tax. Net wealth tax is only applicable to Luxembourg non-resident shareholders if their Shares in the Fund are attributable to a permanent establishment or a permanent representative in Luxembourg.

Luxembourg resident shareholders and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is (i) a resident or non-resident individual taxpayer, (ii) a securitisation vehicle governed by the amended law of 22 March 2004 on securitisation, (iii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iv) a professional pension institution governed by the amended law of 13 July 2005, (v) an UCI governed by the 2010 Law, (vi) a specialised investment fund governed by the 2007 Law, (vii) a family wealth management company governed by the amended law of 11 May 2007, (viii) a reserved alternative investment fund governed by the 2016 Law.

However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) an opaque company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law of 13 July 2005, and (iv) an opaque reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and governed by the 2016 Law remain subject to the minimum net wealth tax.

Other taxes

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his/her taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied on the transfer of Shares upon death of an individual shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

4. U.S. Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")

Capitalized terms used in this Section should have the meaning as set forth in the FATCA Law, unless provided otherwise herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the U.S. Internal Revenue Service of non-U.S. financial institutions that do not comply with FATCA and direct or indirect ownership by U.S. persons of non-U.S. entities. As part of the process of implementing FATCA, the U.S. government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement ("**IGA**") implemented by the FATCA Law, which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified U.S. Persons, if any, to the Luxembourg tax authorities (*administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its shareholders. On the request of the Fund, each shareholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each shareholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the U.S. Internal Revenue Service. Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Shares held by the shareholders may suffer material losses. The failure for the Fund to obtain such information from each shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income as well as penalties.

Any shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such shareholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

5. Common Reporting Standard

Capitalized terms used in this Section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "**Standard**") and its Common Reporting Standard (the "**CRS**") as set out in the CRS Law.

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund will be required to annually report to the Luxembourg tax authorities (*Administration des contributions directes*) personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain shareholders qualifying as Reportable Persons and (ii) Controlling Persons of

passive non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

The shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data be not accurate. The shareholder further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the shareholders may suffer material losses.

Any shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such shareholder's failure to provide the Information and the Fund may, in its sole discretion, redeem the Shares of such shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

XX. GENERAL INFORMATION

1. Corporate Information

The Fund was incorporated for an unlimited period of time on 6 March 2006 and is governed by the Law of 10 August 1915 on commercial companies, as amended, and by the 2010 Law.

The registered office of the Fund is established at 4, rue Peternelchen, L-2370 Howald. The Fund is recorded at the *Registre de Commerce et des Sociétés* with the District Court of Luxembourg.

The Articles have been published in the *Mémorial C, Recueil des Sociétés et Associations* of 20 March 2006 and have been filed with the Chancery of the District Court of Luxembourg. The Articles have been amended for the last time on 21 April 2022 still not published on the *Recueil Électronique des Sociétés et Associations* (the "**RESA**"), the central electronic platform of the Grand Duchy of Luxembourg. Any interested person may inspect these documents at the Chancery of the District Court of Luxembourg; copies are available on request at the registered office of the Fund.

The minimum capital of the Fund, as provided by law and by Article 5 of the Articles is EUR 1,250,000.-. The capital

of the Fund is represented by fully paid-up Shares of no par value. The initial capital of the Fund has been set at EUR 31,000.- divided into thirty-one (31) fully paid-up Shares of no par value.

The Fund is open-ended which means that it will, at any time on the request of the shareholders, redeem its Shares at prices based on the applicable Net Asset Value per Share of the relevant Sub-Fund.

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds.

The Board of Directors may, from time to time, and subject to the written approval of the Management Company, decide to create further Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds.

The share capital of the Fund will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

The Articles, at Article 10, contain provisions enabling the Fund to restrict or prevent the ownership of Shares by U.S. persons.

It is possible that one or more of the Directors may, in the course of their business affairs other than acting as Director, have potential conflicts of interest with the Fund. In the event that such a conflict arises, the relevant Director will at all times act in the best interest of the Fund having regard to its obligations to investors, and will endeavour to resolve such conflicts fairly.

2. Meetings of, and Reports to, shareholders

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Fund or of any Sub-Fund) shall be mailed to each registered shareholder at least eight days prior to the meeting and shall be published to the extent required by Luxembourg law in the RESA and in any Luxembourg and other newspaper(s) that the Board of Directors may determine. Such notices will indicate the date and time of the meeting as well as the agenda, quorum requirements and the conditions of admission.

As all the Shares are only issued in registered form, convening notices may be mailed by registered mail to each registered shareholder without any further publication.

If the Articles are amended, such amendments shall be filed with the Chancery of the District Court of Luxembourg and published in the RESA.

The Fund publishes annually a detailed audited report on its activities and on the management of its assets; such report shall include, inter alia, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditor.

The Fund shall further publish semi-annual unaudited reports, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The aforementioned documents will be available within four months for the annual reports and two months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund.

The accounting year of the Fund commences on 1 January and terminates on 31 December in each year.

The annual general meeting of shareholders takes place in Luxembourg City at a place specified in the notice of meeting on the tenth day in the month of April at 2 p.m. in each year. If such day is not a Business Day, the annual

general meeting shall be held on the next following Business Day.

The shareholders of any Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund.

The combined accounts of the Fund shall be maintained in EUR being the currency of the share capital. The financial statements relating to the various separate Sub-Funds shall also be expressed in the relevant Reference Currency for the Sub-Funds.

The Board of Directors draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Fund, notably the right to participate in general shareholders' 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 always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

Shareholders should note that they will in principle only be able to exercise their rights directly against the Fund and that they will not have any direct contractual rights against the Service Providers appointed from time to time.

3. Dissolution and Liquidation of the Fund

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

Whenever the share capital falls below two-thirds of the minimum capital indicated in Article 5 of the Articles, the question of the dissolution of the Fund shall be referred to a general meeting of shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by the simple majority of the Shares represented at the meeting.

The question of the dissolution of the Fund shall also be referred to a general meeting of shareholders whenever the share capital falls below one-fourth of the minimum capital amounting to EUR 1,250,000.- set by Article 5 of the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by shareholders holding one-fourth of the Shares represented at the meeting.

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

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

The net proceeds of liquidation corresponding to each class of shares in each Sub-Fund shall be distributed by the liquidators to the holders of Shares of the relevant class in such Sub-Fund in proportion to their holding of such Shares.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the 2010 Law. Such law specifies the steps to be taken to enable shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignation* at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

4. Dissolution and Merger

a) Dissolution of Sub-Funds

In the event that for any reason the value of the net assets in any Sub-Fund has decreased to an amount determined by the Board of Directors and currently fixed at EUR 10,000,000,00.- (or its equivalent in another currency) to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, or if a change in the economical or political situation relating to the Sub-Fund concerned would have material adverse consequences on the investments of that Sub-Fund or in order to proceed to an economic rationalization, the Board of Directors may decide to compulsorily redeem all the Shares issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall notify in writing the registered holders of the relevant Shares of the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of shareholders of any Sub-Fund may, upon proposal from the Board of Directors, redeem all the Shares of such Sub-Fund and refund to the shareholders the Net Asset Value of their Shares (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of the shares present or represented.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

b) Mergers

(1) Mergers decided by the Board of Directors

a) The Fund

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

- another Luxembourg or foreign UCITS (the "**New UCITS**"); or
- a sub-fund thereof,

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

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

In the case the Fund involved in a merger is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the general meeting of the shareholders, rather than the Board of Directors, has to approve and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning

the merger project and the information to be provided to the shareholders.

b) The Sub-Funds

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

- another existing Sub-Fund within the Fund or another sub-fund within a New UCITS (the "**New Sub-Fund**"); or
- a New UCITS,

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

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

(2) Mergers decided by the Shareholders

a) The Fund

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

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

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

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

b) The Sub-Funds

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

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

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

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

General

Shareholders will in any case be entitled to request, without any charge other than those retained by the Fund or the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares, in accordance with the provisions of the 2010 Law.

5. Amalgamation of Classes

If for any reason the aggregate share price of a particular class of Shares within a Sub-Fund falls below, or fails to attain, the value considered by the Board of Directors to be the minimum value required to ensure efficient financial management of such class, or in the event of any material change in the political, economic or monetary situation, or in the interest of rationalisation, the Board of Directors may resolve to allocate the assets of any class to those of another existing class within the Fund/Sub-Fund and to re-designate the Shares of the class or classes concerned as Shares of another class. In this respect, the Fund shall send a prior written notice to the shareholders of the relevant class within a reasonable delay to be determined by the Board of Directors. Subject to any other decision in the interest of shareholders, or to ensure the equitable treatment of shareholders overall, shareholders of the relevant class may still apply for Shares to be redeemed or converted free of charge before the amalgamation of classes takes effect.

6. Reporting of the Net Asset Value

The Net Asset Value per Share of each Share Class within each Sub-Fund will be available at the registered office of the Fund and from the Administrator during normal business hours as well as on www.polarcapital.co.uk.

7. Information to Investors

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

8. Benchmark Regulation

The Sub-Funds are not restricted to a Target Benchmark or a Constraining Benchmark. However, performance may be assessed using Comparator Benchmarks.

Investors should note that, in accordance with the requirements of Regulation (EU) 2016/1011 of the European Parliament and Council of 6 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as amended (the "**Benchmark Regulation**"), the Management Company and the Board of Directors have adopted a benchmark contingency plan to set out the actions which the Fund would take in the event that a benchmark used by a Sub-Fund materially changes or ceases to be provided (the "**Benchmark Contingency Plan**"). The Benchmark Contingency Plan is available to all investors upon request to the Management Company and the Fund.

The benchmarks listed in the table below are being provided by the entity specified next to the name of the relevant benchmark in the table below, in its capacity as administrator, as defined in the Benchmark Regulation the relevant benchmark (each a "**Benchmark Administrator**" and collectively the "**Benchmark Administrators**"). As of the date of this visa-stamped Prospectus, the status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmark Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant Benchmark Administrator in the table below.

Benchmark(s)	Benchmark Administrator	Status of the Benchmark Administrator
SONIA	The Bank of England	Not listed in the register referred to in article 36 of the Benchmark Regulation as an EU or third-country central bank is exempt from the application of the
€STR	The European Central Bank	
SOFAR	Federal Reserve Bank of New York	

Benchmark(s)	Benchmark Administrator	Status of the Benchmark Administrator
TONAR	The Bank of Japan	Benchmark Regulation pursuant to article 2(2)(a) of the Benchmark Regulation
SARON	Six Swiss Exchange	Listed in the register referred to in article 36 of the Benchmark Regulation, as administrator whose benchmarks are endorsed pursuant to article 33 of the Benchmark Regulation.

XXI. DOCUMENTS AVAILABLE

Copies of the following documents may be obtained during usual business hours on any Business Day in Luxembourg at the registered office of the Fund:

(i) this Prospectus;

(ii) the KIIDs;

(iii) the Articles;

(iv) the Depositary Bank Agreement;

(v) the Administration Agreement; and

(vi) the latest reports and accounts referred to under the heading "*Meetings of, and Reports to, shareholders*".

1. Complaints handling

A person having a complaint to make about the operation of the Fund may submit such complaint in writing to the Management Company ONE Fund Management S.A., 4, rue Peternelchen, L-2370 Howald, Grand Duchy of Luxembourg. The details of the Management Company's complaint handling procedures may be obtained free of charge during normal office hours at the registered office of the Management Company in Luxembourg.

2. Best execution

The Management Company and the Investment Manager have adopted a "best execution" policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy may be obtained from the Management Company or the Investment Manager upon request.

3. Strategy for the exercise of voting rights

The Fund has a strategy for determining when and how voting rights attached to ownership of the Fund's investments are to be exercised for the exclusive benefit of the Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Sub-Fund may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg and is available on the following website: www.polarcapitalfunds.com.

4. Potential conflicts of interest

The Management Company and/or the Investment Manager, or an affiliate of the Investment Manager, may have

an interest that may conflict with the ability of the Management Company and/or the Investment Manager to act in the best interests of the Fund or a Sub-Fund.

Polar Capital LLP and its affiliates may invest in, transact with and provide services for the Fund or a Sub-Fund and charge and receive fees in the ordinary course of business.

The Management Company and the Investment Manager have policies and procedures in place to identify and mitigate any potential conflicts of interest arising from related party transactions, with a view to ensuring that all such transactions will be effected on terms which are not materially less favourable to the Fund or a Sub-Fund than if the potential conflict had not existed.

The Investment Manager will also have policies and procedures requiring it to act in the best interests of the Fund and the Sub-Funds so far as it is practicable having regard to its obligations to other clients, when undertaking any investment where potential conflicts of interest may arise.

PART B: SPECIFIC INFORMATION

Appendix I. Melchior European Opportunities Fund

1. Name and Reference Currency

The name of the Sub-Fund is "**Melchior European Opportunities Fund**" (hereinafter referred to as the "**European Opportunities Fund**"). The Net Asset Value of the European Opportunities Fund will be calculated in EUR.

2. Specific Investment Policy and Restrictions

The investment objective of the European Opportunities Fund is to achieve longer-term capital growth, from a portfolio primarily made up of the shares of European companies or using derivatives to generate exposure to such equities. The percentage of the portfolio comprised of equities (directly or indirectly held) will exceed 51% of total assets. The Sub-Fund will have a blend of investments in larger, medium and smaller sized companies. On an ancillary basis the Sub-Fund may also invest in other transferable securities, short-duration government bonds, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

The Sub-Fund falls within the scope of Article 8 of the SFDR as it (i) promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, and (ii) does not have sustainable investment as an objective.

In accordance with the requirements of Article 6 of the Taxonomy Regulation, the Sub-Fund must state that the "do no significant harm" principle, as defined in Article 2(17) of the SFDR, applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities. However, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities and, therefore, the "do no significant harm" principle does not apply to any investments of this Sub-Fund.

The Sub-Fund will consider ESG factors as part of its investment process. Investments or exposure to companies will be analysed according to the Sub-Fund's internal responsibility screening process designed to incorporate ESG factors and ESG data from third party vendors. The Sub-Fund will seek to invest in companies that are in line with the investment criteria stated in the ESG Policy. ESG factors include, among others, governance, incentive structures, human capital development, interaction with society, ecological efficiency, product carbon footprint, etc. The application of these ESG factors should result in a reduction of the investible universe in a significantly engaging manner.

Furthermore, the Sub-Fund may actively engage with companies in order to seek to improve their ESG practices in the future.

Further information on the Sub-Fund's ESG policy is available upon request or by visiting the Investment Manager's website www.polarcapitalfunds.com.

The screen applied by the Sub-Fund may exclude companies on the basis of the activity from which they generate revenue. The Sub-Fund will not invest in companies whose business activity (*i.e.*, one that accounts for more than 5% of the relevant company's revenue, unless otherwise specified) involves the following products and services:

- controversial weapons (completely excluded);
- provision or delivery of adult entertainment;
- production and distribution of palm oil;
- provision of predatory lending;
- extraction and production of thermal coal or the generation of power from thermal coal;
- manufacture and distribution of all tobacco; and

- provision of unregulated gambling.

The Sub-Fund may also exclude a company based on other criteria such as involvement in environmental damage, corruption, human rights issues, or labour practices. The Investment Manager may, in its discretion, elect to apply additional exclusions over time that it believes are consistent with the investment objective. Such additional restrictions will be disclosed as they are implemented on the Investment Manager's website www.polarcapitalfunds.com.

The European Opportunities Fund will invest at least 75% of its net assets in equities (directly or indirectly held) issued by companies which have their head office in the EU, the United Kingdom, in Norway and Iceland.

The Sub-Fund may also invest up to 25% of its total assets in bonds issued by supranational organisations worldwide and non-European equities.

Notwithstanding the above provisions, on a temporary basis and if justified by exceptional market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions, invest up to 100% of its net assets in cash and cash equivalents, term deposits, money market instruments and money market funds pursuant to the MMF Regulation.

The Sub-Fund shall aim to provide a prudent spread of risk.

The Sub-Fund is not expected to have substantially higher volatility than the volatility level of the markets in which the Sub-Fund invests.

The European Opportunities Fund does not have any target industry or sector.

The Sub-Fund may use financial derivative instruments to achieve its investment objectives, for efficient portfolio management and hedging purposes. The Sub-Fund may use in particular but not limited to currency forward contracts, contracts for difference, warrants and futures contracts and equity index options.
The Sub-Fund will enter into contracts for difference for such percentage of assets as set out in the table in Part A, Section IV. "Financial Derivative Instruments".

The Sub-Fund is actively managed and references MSCI Europe NR Index (the "**Benchmark**") for comparative purposes only. The Investment Manager has full discretion over the composition of the portfolio of the Sub-Fund.

3. Typical Investors' Profile

The Sub-Fund is suitable for retail and professional investors who consider an investment fund as a convenient way of participating in capital market developments. It is also suitable for more experienced investors wishing to attain defined investment objectives.

Investors should also refer to the Section "General Risk Considerations" of this Prospectus. In the context of SFDR, investors' attention is drawn to "Sustainability Risk – Investing in Europe" in Section VIII. "General Risk Considerations" of this Prospectus.

4. Sales Charge

The Fund reserves the right to apply a sales charge of up to 5% of the Net Asset Value per Share on subscriptions.

5. Investment Management Fee

An investment management fee is payable to the Investment Manager in compensation for its services, as described in the table below.

Share Class	Investment Management Fee
B	Up to 1.65%
CS	Up to 0.85%
I	Up to 0.85%
P	Up to 0.85%

6. Global Exposure

This Sub-Fund uses the commitment approach to monitor and measure the global exposure.

Appendix II. Melchior European Absolute Return Fund

1. Name and Reference Currency

The name of the Sub-Fund is "**Melchior European Absolute Return Fund**" (hereinafter referred to as the "**European Absolute Return Fund**"). The Net Asset Value of the European Absolute Return Fund will be calculated in EUR.

2. Specific Investment Policy and Restrictions

The investment objective of the European Absolute Return Fund is to achieve longer-term capital growth, without undue risk through diversified investment in equities of companies, or using derivatives to generate exposure to such equities. The percentage of the portfolio comprised of equities (directly or indirectly held) will exceed 51% of total assets which are listed on a stock exchange in the European region or of companies that have their registered office, or carry out a predominant portion of their economic activity in the European region.

The Sub-Fund falls within the scope of Article 8 of the SFDR as it (i) promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, and (ii) does not have sustainable investment as an objective.

In accordance with the requirements of Article 6 of the Taxonomy Regulation, the Sub-Fund must state that the "do no significant harm" principle, as defined in Article 2(17) of the SFDR, applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities. However, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities and, therefore, the "do no significant harm" principle does not apply to any investments of this Sub-Fund.

The Sub-Fund will consider ESG factors as part of its investment process. Exposure to companies will be analysed according to the Sub-Fund's internal screening process designed to incorporate ESG factors and ESG data from third-party vendors. The Sub-Fund will seek to invest in companies that is in line with the investment criteria stated in the ESG Policy. ESG factors include, among others, governance, incentive structures, human capital development, interaction with society, ecological efficiency, product carbon footprint, etc. The application of these ESG factors should result in a reduction of the investible universe in a significantly engaging manner.

Furthermore, the Sub-Fund may actively engage with companies in order to seek to improve their ESG practices in the future.

Further information on the Sub-Fund's ESG policy is available upon request or by visiting the Investment Manager's website www.polarcapitalfunds.com.

The screen applied by the Sub-Fund may exclude companies on the basis of the activity from which they generate revenue. The Sub-Fund will not invest in companies whose business activity (*i.e.*, one that accounts for more than 5% of the relevant company's revenue, unless otherwise specified) involves the following products and services:

- controversial weapons (completely excluded);
- provision or delivery of adult entertainment;
- production and distribution of palm oil;
- provision of predatory lending;
- extraction and production of thermal coal or the generation of power from thermal coal;
- manufacture and distribution of all tobacco; and
- provision of unregulated gambling.

The Sub-Fund may also exclude a company based on other criteria such as involvement in environmental damage, corruption, human rights issues, or labour practices. The Investment Manager may, in its discretion, elect to apply

additional exclusions over time that it believes are consistent with the investment objective. Such additional restrictions will be disclosed as they are implemented on the Investment Manager's website www.polarcapitalfunds.com.

In certain industries where the Sub-Fund identifies short interests can encourage better ESG practices, it may engage in short selling.

The European Absolute Return Fund's investments are selected using both a variety of quantitative techniques and fundamental research in seeking to maximize the European Absolute Return Fund's expected total return. It seeks to maximize returns by purchasing equities and other instruments (or using derivatives to generate exposure to such equities) that are presumed to be undervalued (long position) and by establishing short exposure to equities and other instruments that are presumed to be overvalued. Short exposure may only be attained through the use of derivatives. Physical short sales of transferable securities will not be undertaken. Financial derivatives, used in whole or in part to implement the strategy, may include, among others, options, forwards, futures contracts on financial instruments and options on such contracts, contracts for difference, as well as privately negotiated swap contracts on any type of eligible financial instruments.

Long positions will typically be taken in companies which are perceived to have one or more of the following attributes: turn-around potential including recent management change; good asset utilization; active in mergers and acquisitions; stable growth rates and cash rich; good management capability, including vision for the company's future direction and the necessary ability to implement that vision; product pricing power and prolonged competitive advantage period; global competitive advantage, where appropriate; a strong balance-sheet and a positive cash-flow profile.

Short positions will typically be taken in companies which are perceived to have one or more of the following attributes: weak leadership; an inability on the part of management to adapt to changing business conditions; poor pricing power; little competitive advantage; and a deteriorating financial condition.

The Sub-Fund will enter into contracts for difference for such percentage of assets as set out in the table in Part A, Section IV. "Financial Derivative Instruments".

The Sub-Fund may also invest up to 10% in non-European equities or using derivatives to generate exposure to such equities.

Notwithstanding the above provisions, on a temporary basis and if justified by exceptional market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions, invest up to 100% of its net assets in cash and cash equivalents, term deposits, money market instruments and money market funds pursuant to the MMF Regulation.

The Sub-Fund shall aim to provide a prudent spread of risk.

The European Absolute Return Fund does not have any target industry or sector.

Furthermore, the Sub-Fund may use financial derivative instruments to hedge against market, region, currency and duration risks. In particular currency forward contracts, warrants, in aggregate a maximum of 25% in non-European worldwide futures contracts and equity index options to hedge against market, region, currency and duration risks, as well as for investment purposes and consistent with the Sub-Fund's investment objectives.

The Sub-Fund is actively managed and does not reference any benchmark.

3. Typical Investors' Profile

The Sub-Fund is suitable for retail and professional investors who consider an investment fund as a convenient way of participating in capital market developments. It is also suitable for more experienced investors wishing to attain defined investment objectives.

Investors should also refer to the Section VIII. "General Risk Considerations" of this Prospectus. In the context of SFDR, investors' attention is drawn to "Sustainability Risk – Investing in Europe" in Section VIII. "General Risk Considerations" of this Prospectus.

4. Sales Charge

The Fund reserves the right to apply a sales charge of up to 5% of the Net Asset Value per Share on subscriptions.

5. Investment Management Fee

An investment management fee is payable to the Investment Manager in compensation for its services, as described in the table below.

Share Class	Investment Management Fee
C	Up to 2.00%
H	Up to 1.75%
I	Up to 1.50%
L	Up to 1.00%
P	Up to 1.50%

6. Performance Fee and Contingent Performance Fee

In certain circumstances the Investment Manager will also be entitled to receive a Performance Fee and may also be entitled to receive a Contingent Performance Fee (as defined below) out of the assets of the European Absolute Return Fund (borne by the classes of Shares).

Performance Fee

The Performance Fee is calculated in respect of each period of twelve months ending on 31 December in each year (a "**Performance Period**"). The first Performance Period shall begin on the Business Day following the close of the initial subscription period and shall terminate at the end of a financial year. The first Performance Fee crystallisation may only occur after a minimum period of twelve (12) months as from the Business Day following the close of the initial subscription period.

The Performance Fee will be calculated net of all costs (taking into account, as appropriate, subscriptions, redemptions, dividends paid) and deemed to accrue on each Valuation Day. The Performance Fee shall be payable to the Investment Manager in relation to the European Absolute Return Fund only when the following three tests are met:

A. Performance Test

Firstly, a performance test must be met for the Performance Period just ended. The performance test will be met if the increase in the Net Asset Value per Share over a Performance Period (taking into account paragraph B. (ii) if applicable) is greater than the return of a benchmark depending on the currency of the Share Class (SONIA for GBP Share Classes, €STR for EUR Share Classes, SOFAR for USD Share Classes, TONAR for JPY Share Classes, and SARON for CHF Share Classes) (the "**Benchmark Return**") over the same Performance Period.

B. Watermark Test

Secondly, a watermark test must be met which takes into account the performance of the European Absolute Return Fund overall Performance Periods before the Performance Period just ended (the "**Prior Period**"). The watermark test will be met if:

(i) the change in the Net Asset Value per Share over the Prior Period is greater than the Benchmark Return

over the Prior Period; or

(ii) if the Net Asset Value per Share has not increased more than the Benchmark Return in the Prior Period, the Net Asset Value per Share must increase in the Performance Period by an amount equal to that shortfall in the Prior Period before performance test can be met in accordance with paragraph A. above.

C. High Watermark Test

Thirdly, a high watermark test must be met which takes into account the performance of the European Absolute Return Fund since inception. The high watermark test will be met if the Net Asset Value per Share at the end of the Performance Period is equal to or greater than the highest Net Asset Value per Share as at the end of any previous Performance Period for that Share (or if there is no previous Performance Period, the Net Asset Value per Share on launch of the Share Class).

If the three tests are met, the Performance Fee shall be 10% (in addition to another 10% Contingent Performance Fee as described below) of the amount by which the Net Asset Value per Share (before the deduction of Performance Fees) exceeds the Benchmark Return as at the end of a Performance Period (less any shortfall amount in accordance with paragraph B. (ii) above), multiplied by the number of Shares in issue in the European Absolute Return Fund. In the case of the first Performance Period the initial subscription price per Share in a Sub-Fund shall be the base price for the purpose of calculating the performance over the Performance Period.

The Performance Fee shall be paid annually in EUR in arrears within 14 Business Days of the end of a Performance Period. 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 Fee for which provision has been made and which are attributable to the shares redeemed (crystalized Performance Fee) will be paid at the same time as the Performance Fee even if provision for performance fees is no longer made at that date.

Where a Performance Fee is payable it will be based on the Net Asset Value per Share of the European Absolute Return Fund as at the end of each Performance Period. As a result, a Performance Fee may be paid in respect of unrealized gains, which may subsequently never be realised.

The Performance Fee calculation will be verified by the auditor of the Fund.

There will be no cap on the Performance Fee.

If the Investment Management Agreement is terminated before 31 December in any year, the Performance Fee in relation to the European Absolute Return Fund in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period.

Contingent Performance Fee

An additional 10% Performance Fee (the "**Contingent Performance Fee**") which may become due to the Investment Manager is intended to ensure that part of the Investment Manager's return from the management of the Sub-Fund is contingent upon the continued performance of the Sub-Fund, to create an appropriate alignment with investors in the Sub-Fund, and that no entitlement to any such amount should arise for the Investment Manager until the end of the period of two (2) years following the end of a relevant Performance Period (the "**Additional Performance Period**").

Accordingly, the Contingent Performance Fee payable to the Investment Manager at the end of each Additional Performance Period shall be computed as follows:

1. if, at the end of a Performance Period, a Performance Fee is payable, an amount of the assets of the European Absolute Return Fund shall be set aside (the "**Set Aside Amount**") equal to 10% of the amount by which the Net Asset Value per Share (before the deduction of Performance Fees) exceeds the Benchmark Return as at the end of a Performance Period (less any shortfall amount

in accordance with paragraph B., (ii) above), multiplied by the number of Shares in issue in the European Absolute Return Fund;

2. the Set Aside Amount will be retained in the Sub-Fund (net of any crystallised tax charge in respect of the Investment Manager's or its employees' share of the Contingent Performance Fee) during the Additional Performance Period and will be exposed to the investment returns of the Sub-Fund during that Additional Performance Period; and
3. at the end of the Additional Performance Period, the resulting Set Aside Amount (which may be less or more than the initial Set Aside Amount since it has been exposed to the investment returns of the Sub-Fund during the Additional Performance Period) will be paid out of the Sub-Fund to the Investment Manager in EUR in arrears within 14 Business Days of the end of the Additional Performance Period.

A 1.50% per annum investment management fee will be levied against the Sub-Fund assets representing the invested Set Aside Amount until the Set Aside Amount is paid to the Investment Manager according to item 3. above.

The Contingent Performance Fee calculation will be verified by the auditor of the Fund.

There will be no cap on the Contingent Performance Fee.

If the Investment Management Agreement is terminated before 31 December in any year, the Contingent Performance Fee in relation to the European Absolute Return Fund in respect of the then current Additional Performance Period will be calculated and paid as though the date of termination were the end of the relevant Additional Performance Period.

Examples of calculation and payment of Performance Fees

Year 1 (Performance Period #1):

- Net Asset Value per Share over Performance Period #1: +3%
- Benchmark Return over Performance Period #1: +5%
- Outperformance of the Net Asset Value per Share over Prior Period compared to the Benchmark Return over Prior Period: N/A
- Net Asset Value per Share at the end of Performance Period #1: EUR 103.-
- Highest Net Asset Value per Share over Prior Period: EUR 100.-

(i) Performance test: the increase in the Net Asset Value per Share over Performance Period #1 is lower than the increase of the Benchmark Return over Performance Period #1. **The performance test is not met.**

(ii) Watermark test: there is no Prior Period to take into account and the Net Asset Value per Share over Performance Period #1 has not increase more than the Benchmark Return over Performance Period #1. **The watermark test is not met.**

(iii) High watermark test: the Net Asset Value per Share at the end of Performance Period #1 is higher than the highest Net Asset Value per Share over Prior Period. **The high watermark test is met.**

Only one test out of three tests is met, no Performance Fee is calculated for Performance Period #1.

If there is a Performance Fee attributable to the shares redeemed during Performance Period #1 (crystalized Performance Fee) it will be paid within 14 Business Days of the end of such Performance Period.

Year 2 (Performance Period #2):

- Net Asset Value per Share over Performance Period #2: +4%
- Benchmark Return over Performance Period #2: +3%
- Outperformance of the Net Asset Value per Share over Prior Period compared to the Benchmark Return

over Prior Period: -2%

- Net Asset Value per Share at the end of Performance Period #2: EUR 107.-
- Highest Net Asset Value per Share over Prior Period: EUR 103.-

(i) Performance test: the increase in the Net Asset Value per Share over Performance Period #2 is higher than the increase of the Benchmark Return over Performance Period #2. **The performance test is met.**

(ii) Watermark test: the Net Asset per Share has not increased more than the Benchmark Return over Prior Period and Performance Period #2 combined. **The watermark test is not met.**

(iii) High watermark test: the Net Asset Value per Share at the end of Performance Period #2 is higher than the highest Net Asset Value per Share over Prior Period. **The high watermark test is met.**

Only two tests out of three tests are met, no Performance Fee is calculated for Performance Period #2.

If there is a Performance Fee attributable to the shares redeemed during Performance Period #2 (crystalized Performance Fee) it will be paid within 14 Business Days of the end of such Performance Period.

Year 3 (Performance Period #3):

- Net Asset Value per Share over Performance Period #3: +8%
- Benchmark Return over Performance Period #3: +4%
- Outperformance of the Net Asset Value per Share over Prior Period compared to the Benchmark Return over Prior Period: -1%
- Net Asset Value per Share at the end of Performance Period #3: EUR 115.-
- Highest Net Asset Value per Share over Prior Period: EUR 107.-

(i) Performance test: the increase in the Net Asset Value per Share over Performance Period #3 is higher than the increase of the Benchmark Return over Performance Period #2. **The performance test is met.**

(ii) Watermark test: the Net Asset per Share has increased more than the Benchmark Return over Prior Period and Performance Period #3 combined. **The watermark test is met.**

(iii) High watermark test: the Net Asset Value per Share at the end of Performance Period #3 is higher than the highest Net Asset Value per Share over Prior Period. **The high watermark test is met.**

All three tests are met, a 10% Performance Fee is calculated at the end of Performance Periods #3 and paid to the Investment Manager within 14 Business Days of the end of such Performance Period #3.

If there is a Performance Fee attributable to the shares redeemed during Performance Period #3 (crystalized Performance Fee) it will be paid within 14 Business Days of the end of such Performance Period.

The Performance Fee shall be 10% of the amount by which the Net Asset Value per Share at the end of Performance Period #3 (before the deduction of Performance Fees) exceeds the Benchmark Return as at the end of Performance Period #3 (less any outperformance amount) multiplied by the number of Shares in issue in the European Absolute Return Fund.

The Set Aside Amount equal to another 10% is reinvested by the Investment Manager during the Additional Performance Period. For the avoidance of doubt, the Set Aside Amount shall not been taken into account for the calculation of the Performance Fee.

Year 4 (Performance Period #4):

- Net Asset Value per Share over Performance Period #4: -1%
- Benchmark Return over Performance Period #4: -2%
- Outperformance of the Net Asset Value per Share over Prior Period compared to the Benchmark Return over Prior Period: 0%
- Net Asset Value per Share at the end of Performance Period #4: EUR 114.-
- Highest Net Asset Value per Share over Prior Period: EUR 115.-

(i) Performance test: the decrease in the Net Asset Value per Share over Performance Period #4 is lower than the decrease of the Benchmark Return over Performance Period #4. **The performance test is met.**

(ii) Watermark test: there is no outperformance to compensate since the calculation of a Performance Fee at the end of Performance Period #3. **The watermark test is met.**

(iii) High watermark test: the Net Asset Value per Share at the end of Performance Period #4 is lower than the highest Net Asset Value per Share over Prior Period. **The high watermark test is not met.**

Only two tests out of three tests are met, no Performance Fee is calculated for Performance Period #4.

If there is a Performance Fee attributable to the shares redeemed during Performance Period #4 (crystalized Performance Fee) it will be paid within 14 Business Days of the end of such Performance Period.

The Set Aside Amount earned by the Investment Manager at the end of Performance Period #3 is retained and exposed to the investment returns of the Sub-Fund during Performance Period #4.

Year 5 (Performance Period #5):

- Net Asset Value per Share over Performance Period #5: +2%
- Benchmark Return over Performance Period #5: +1%
- Outperformance of the Net Asset Value per Share over Prior Period compared to the Benchmark Return over Prior Period: +1%
- Net Asset Value per Share at the end of Performance Period #5: EUR 116.-
- Highest Net Asset Value per Share over Prior Period: EUR 115.-

(i) Performance test: the increase in the Net Asset Value per Share over Performance Period #5 is higher than the increase of the Benchmark Return over Performance Period #5. **The performance test is met.**

(ii) Watermark test: there is no outperformance to compensate since the calculation of a performance fee at the end of Performance Period #3. **The watermark test is met.**

(iii) High watermark test: the Net Asset Value per Share at the end of Performance Period #5 is higher than the highest Net Asset Value per Share over Prior Period. **The high watermark test is met.**

All three tests are met, a 10% performance fee is calculated at the end of Performance Periods #5 and paid to the Investment Manager within 14 Business Days of the end of such Performance Period #5.

If there is a performance fee attributable to the shares redeemed during Performance Period #5 (crystalized performance fee) it will be paid within 14 Business Days of the end of such Performance Period

The performance fee shall be 10% of the amount by which the Net Asset Value per Share at the end of Performance Period #5 (before the deduction of performance fees) exceeds the Benchmark Return as at the end of Performance Period #5 (less any outperformance amount) multiplied by the number of Shares in issue in the European Absolute Return Fund.

The Set Aside Amount equal to another 10% is reinvested by the Investment Manager during the Additional Performance Period. For the avoidance of doubt, the Set Aside Amount shall not been taken into account for the calculation of the performance fee.

The Set Aside Amount earned by the Investment Manager at the end of Performance Period #3 is retained and exposed to the investment returns of the Sub-Fund during Performance Period #5.

The Set Aside Amount earned by the Investment Manager at the end of Performance Period #3 is paid out of the Sub-Fund to the Investment Manager within 14 Business Days of the end of Performance Period #5.

7. Global Exposure

An absolute VaR approach is applied to monitor and measure the global exposure. The Sub-Fund's VaR may not exceed 20% of the Sub-Fund's net asset value.

The use of financial derivative instruments (FDI) will result in the creation of leverage.

The level of leverage is not expected to be in excess of 300% of the net asset value of the Sub-Fund under normal circumstances, but investors should note that higher levels of leverage are possible.

In order to be consistent with current regulatory guidance on leverage disclosure, leverage is calculated using the sum of the gross notional of each FDI, without any risk adjustment such as deductions resulting from hedging purposes, a delta-factor, or netting between derivatives. Investors should note that this method of calculation results in high leverage figures which do not necessarily imply higher leverage risk in the Sub-Fund.

Appendix III. Melchior Global Equity Fund

1. **Name and Reference Currency**

The name of the Sub-Fund is "**Melchior Global Equity Fund**" (hereinafter referred to as the "**Global Equity Fund**"). The Net Asset Value of the Global Equity Fund will be calculated in GBP.

2. **Specific Investment Policy and Restrictions**

The investment objective of the Global Equity Fund is to achieve longer-term capital growth, without undue risk, through diversified investment in listed equities. The percentage of the portfolio comprised of shares will exceed 51% of total assets. The Sub-Fund may also invest in collective investment schemes to gain exposure to Equities.

Notwithstanding the above provisions, on a temporary basis and if justified by exceptional market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions, invest up to 100% of its net assets in cash and cash equivalents, term deposits, money market instruments and money market funds pursuant to the MMF Regulation.

The Sub-Fund shall aim to provide a prudent spread of risk.

The Sub-Fund is not expected to have substantially higher volatility than the volatility level of the markets in which the Sub-Fund invests.

The Sub-Fund does not have any target industry or sector.

The Sub-Fund may use financial derivative instruments to achieve its investment objectives, for efficient portfolio management and hedging purposes. The Sub-Fund may use in particular but not limited to currency forward contracts, contracts for difference, warrants and futures contracts and equity index options.

The Sub-Fund is actively managed and references MSCI ACWI Index (the "**Benchmark**") for comparative purposes only. The Investment Manager has full discretion over the composition of the portfolio of the Sub-Fund.

3. **Typical Investors' Profile**

The Sub-Fund is suitable for retail and professional investors who consider an investment fund as a convenient way of participating in capital market developments. It is also suitable for more experienced investors wishing to attain defined investment objectives.

Investors should also refer to the Section VIII. "General Risk Considerations" of this Prospectus.

4. **Sales Charge**

The Fund reserves the right to apply a sales charge of up to 5% of the Net Asset Value per Share on subscriptions.

5. **Investment Management Fee**

An investment management fee is payable to the Investment Manager in compensation for its services, as described in the table below.

Share Class	Investment Management Fee
B	Up to 1.50%
F	Up to 0.25% (total expense ratio is capped at 40 bps)
I	Up to 0.75%

6. Global Exposure

This Sub-Fund uses the commitment approach to monitor and measure the global exposure.