

**EuroAmerica AM SICAV**  
Investment Company with variable capital with multiple sub-funds  
Established in Luxembourg

**PROSPECTUS**

**February 2017**

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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2017-02-28  
Commission de Surveillance du Secteur Financier



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## IMPORTANT INFORMATION

THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

**It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.**

Shares are available for issue on the basis of the information and representations contained in this Prospectus. Any further information given or representations made by any person with respect to any shares must be regarded as unauthorised.

The Directors have 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. All the Directors accept responsibility accordingly.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is unlawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The shares have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons, except in a transaction which does not violate the securities laws of the United States of America. The Articles of Incorporation permit certain restrictions on the sale and transfer of shares to restricted persons and the Board of Directors has decided that United States persons shall be restricted persons and are defined as follows:

The term "United States Person" or "US Person" shall mean a citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust other than an estate or trust the income of which from outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it as defined under the Securities Act of 1933 or in Section 7701 (a) (30) of the US Internal Revenue Code of 1986, as amended. If a shareholder subsequently becomes a "United States Person" and such fact comes to the attention of the Company, shares owned by that person may be compulsorily repurchased by the Company.

Investors and applicants should note that under the Foreign Account Tax Compliance Act ("FATCA") details of US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service (IRS), as a safeguard against US tax evasion. As a result, and to discourage non-United States financial institutions from staying outside this regime, financial institutions that do

not enter and comply with the regime will be subject to a 30% withholding tax penalty with respect to certain United States sourced income (including dividends) and gross proceeds from the sale or other disposal of property that can produce United States sourced income. The detailed implementation rules and schedule of implementation have not yet been finalised and the Company is therefore at this time not in a position to accurately assess the extent of the relevant requirements and the costs implied by such requirements. In order to protect the shareholders from the effect of any withholding penalty, it is the intention of the Company to be compliant with the requirements of the FATCA regime as this applies to entities such as the Company.

The detailed implementation rules and schedule of implementation have not yet been finalized. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

In order to protect the interest of all shareholders, the Company reserves the right without further notice to restrict or prevent the sale and transfer of shares to persons targeted by FATCA as permitted by the Articles of Incorporation.

The distribution of this Prospectus and the offering of the shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

**The key investor information documents of each Class of each Sub-Fund (the "Key Investor Information Documents"), the latest annual and semi-annual reports of the Company (if any), are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.**

Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant Key Investor Information Document(s). The Key Investor Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Investors may obtain the Key Investor Information Documents in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

Investors are informed that their personal data or information given in the Application Form, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the 2002 Law (as defined below) on data protection. The shareholder accepts that the Fund, being responsible for the processing of personal data, has authorised and instructed the Management Company, the Registrar and Transfer Agent, the Depositary, the Investment Manager and entities belonging to EuroAmerica Group and any distributor to have access to data concerning him for the purpose of carrying out their services and complying with legal and regulatory requirements, including but not limited to, obligations under applicable company law, customer due diligence, anti-money laundering legislation and FATCA, common reporting standard ("CRS") or similar laws and regulations (e.g. at Organisation for Economic Co-operation and Development ("OECD") or EU level), and thus process them in accordance with the provisions of the 2002 Law.

Investors acknowledge and accept that the Company, the Management Company or the Administration Agent will report any relevant information in relation to their investments in the Company to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, CRS at OECD and EU levels or equivalent Luxembourg legislation.

By subscribing or purchasing shares, shareholders also accept that their telephone conversations with the Management Company or the Registrar and Transfer Agent, may be recorded in order to secure evidence of a commercial transaction in compliance with the Law of 30 May 2005 with regard to the processing of personal data in the electronic communications sector, as amended and thus processed within the meaning of the 2002 Law. Investors are also advised that their personal data will be held in the register of shareholders maintained by the Registrar and Transfer Agent. Investors' personal data shall not be stored longer than is necessary for the fulfilment of the purposes for which they have been processed and as required by law. In accordance with the provisions of the 2002 Law, investors are entitled to request information about their personal data at any time as well as to correct it. Investors should address such requests to the Administration Agent.

The Board of Directors draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general meetings of shareholders if the investor is registered himself and in his own name in the Company's register of shareholders maintained by the Registrar and Transfer Agent. In cases where an investor invests in the Company through an intermediary investing into the Company 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 Company. Investors should seek advice from their salesman or intermediary on their rights in the Company.

## DIRECTORY

### **Registered Office**

33A, Avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

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

- Henry Comber Sigall, CEO of EuroAmerica S.A.
- Sergio Rosenberg Aratany, independent director
- Jörg Henzler, non-executive board member, Luxembourg Investment Solutions S.A.

### **Management Company**

Luxembourg Investment Solutions S.A.  
Airport Center Luxembourg  
5, Heienhaff  
L-1736 Senningerberg  
Grand Duchy of Luxembourg

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

- Thomas Goergen
- Jörg Henzler
- Daniel Kranz
- Pierre Weimerskirch

### **Depositary and Paying Agent**

UBS Europe SE, Luxembourg Branch  
33A, Avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **Administration, Domiciliary and Registrar and Transfer Agent**

UBS Fund Services (Luxembourg) S.A.  
33A, Avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **Auditors**

KPMG Audit S.à r.l.  
39, avenue J. F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Legal Advisers**

Elvinger Hoss Prussen

société anonyme

2, Place Winston Churchill

L-2014 Luxembourg

Grand Duchy of Luxembourg



## GLOSSARY

<b>1915 Law</b>	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
<b>2002 Law</b>	Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data, as amended.
<b>2010 Law</b>	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended, implementing Directive 2009/65/EC into Luxembourg law.
<b>Administration Agent</b>	UBS Fund Services (Luxembourg) S.A., acting in its capacity as administration agent of the Company.
<b>Application Form</b>	The application form available at the registered office of the Company and from distributors (if any).
<b>Articles of Incorporation</b>	The articles of incorporation of the Company, as may be amended from time to time.
<b>Auditors</b>	KPMG Audit S.à r.l.
<b>Base Currency</b>	The base currency of a Sub Fund, as disclosed in the relevant section of the "Sub-Fund Particulars".
<b>Board of Directors</b>	The board of directors of the Company.
<b>Business Day</b>	Any full day on which the banks are open for normal business banking in Luxembourg.
<b>Class(es)</b>	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a "Class") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described under section 8 and in the relevant section of the "Sub-Fund Particulars".
<b>Company</b>	EuroAmerica AM Sicav.
<b>Conversion Day</b>	The day with respect to which the shares of any Sub-Fund/Class may be converted, as further detailed in section 12 and in the relevant section of the "Sub-Fund Particulars".
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.
<b>Depository</b>	UBS Europe SE, Luxembourg Branch, acting in its capacity as depository of the Company.
<b>Directors</b>	The members of the Board of Directors.
<b>EEA</b>	European Economic Area.

<b>Emerging Markets</b>	Emerging markets are those markets in countries that are not amongst the following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.
<b>Exchange Traded Fund</b>	An investment fund listed on a stock exchange which represents a pool of securities, commodities or currencies which typically track the performance of an index. Exchange Traded Funds (ETFs) are traded like shares. Investment in open-ended or closed-ended ETFs will be allowed if they qualify as (i) UCITS or other UCIs or (ii) transferable securities, respectively.
<b>EU</b>	European Union.
<b>EUR</b>	The legal currency of the European Union (the "Euro").
<b>Eligible State</b>	Any Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
<b>G20</b>	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, USA and the European Union.
<b>Grand-Ducal Regulation of 2008</b>	The Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investments which has been repealed by the 2010 Law.
<b>Group of Eight (G8)</b>	Canada, France, Germany, Italy, Japan, Russia, United Kingdom, United States of America and European Union.
<b>Institutional Investor(s)</b>	Institutional investor(s) within the meaning of article 174 of the 2010 Law.
<b>Management Company</b>	Luxembourg Investment Solutions S.A.
<b>Mémorial</b>	<i>Mémorial C, Recueil des Sociétés et Associations</i> , Luxembourg legal gazette.
<b>Money Market Instruments</b>	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>Net Asset Value per share</b>	The net asset value of any Class within any Sub-Fund determined in accordance with the relevant provisions detailed in section 10 "Net Asset Value and dealing prices".
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>Redemption Day</b>	The day with respect to which shares of the Company are redeemable, as further detailed in the relevant section of the "Sub-Fund Particulars".

<b>Register</b>	The register of shareholders of the Company.
<b>Registrar and Transfer Agent</b>	UBS Fund Services (Luxembourg) S.A., acting as registrar and transfer agent of the Company.
<b>Regulated Market</b>	A regulated market as defined in the Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
<b>Subscription Day</b>	The day with respect to which the shares of any Class may be subscribed, as detailed, in the relevant section of the "Sub-Fund Particulars".
<b>Sub-Fund</b>	A specific portfolio of assets and liabilities within the Company having its own Net Asset Value and represented by one or more Classes.
<b>Sub-Fund Particulars</b>	Part of the Prospectus containing information relating to each Sub-Fund.
<b>Transferable Securities</b>	Shall mean: (a) shares and other securities equivalent to shares, (b) bonds and other debt instruments, (c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments.
<b>UCITS</b>	An Undertaking for collective investment in Transferable Securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.
<b>Other UCI</b>	An Undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC.
<b>United States Person</b>	A citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for the purpose of computing United States income tax payable by it.
<b>USD</b>	The official currency of the United States of America (United States Dollar).
<b>Valuation Day</b>	A day on which the Net Asset Value is determined as detailed for each Sub-Fund, in the relevant section of the "Sub-Fund Particulars".

## GENERAL PART

### 1. STRUCTURE OF THE COMPANY

The Company is an umbrella investment company with variable capital (*société d'investissement à capital variable*) incorporated under the form of a *société anonyme* in the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities ("UCITS") under Part I of the 2010 Law. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant section of the "Sub-Fund Particulars". Within each Sub-Fund, different Classes with characteristics detailed in the relevant section of the "Sub-Fund Particulars" may be issued.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s) in accordance with the provisions of article 181 of the 2010 Law. This means that the assets of each Sub-Fund shall be invested for the shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board of Directors may at any time resolve to set up new Sub-Fund(s) and/or create within each Sub-Fund one or more Classes. The Board of Directors may also at any time resolve to close a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

In this Prospectus and in the reports, the short names of the Sub-Funds are used. They should be read with EuroAmerica AM SICAV preceding them.

The Company was incorporated for an unlimited period in Luxembourg on 11 June 2014. The capital of the Company shall be equal at all times to its net assets. The minimum capital of the Company shall be the minimum prescribed by the 2010 Law, which at the date of this Prospectus is the equivalent of EUR 1,250,000. This minimum must be reached within a period of 6 months following the authorisation of the Company as a UCITS under the 2010 Law.

The Company was incorporated with an initial capital of USD 50,000, divided into 500 fully paid up shares.

The Company is registered with the *Registre de Commerce et des Sociétés, Luxembourg* (Luxembourg register of trade and companies) under number B 188230. The Articles of Incorporation have been deposited with the *Registre de Commerce et des Sociétés, Luxembourg* and thereafter published in the *Mémorial* on 10 July 2014.

The reference currency of the Company is the USD and all the financial statements of the Company will be presented in USD.

### 2. GENERAL RISKS THAT APPLY TO THE COMPANY AND THE SUB-FUNDS

Prospective investors should consider the following risk factors before investing in the Company. However, the risk factors set out below do not purport to be an exhaustive list of risks related to investments in the Company. Prospective investors should read the entire Prospectus, and where

appropriate consult with their legal, tax and investment advisers, in particular regarding the tax consequences of subscribing, holding, converting, redeeming or otherwise disposing of Shares under the law of their country of citizenship, residence or domicile.

Investors should be aware that the investments of the Company are subject to market fluctuations and other risks associated with investments in transferable securities and other financial instruments. The value of the investments and the resulting income may go up or down and it is possible that investors will not recoup the amount originally invested in the Company, including the risk of loss of the entire amount invested.

There is no assurance that the investment objective of a particular Sub-Fund will be achieved or that any increase in the value of the assets will occur. Past performance is not a reliable indicator of future results.

The Net Asset Value of a Sub-Fund may vary as a result of fluctuations in the value of the underlying assets and the resulting income. Investors are reminded that in certain circumstances their right to redeem Shares may be suspended.

#### ***Market risk***

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 the Company. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

#### ***Foreign exchange risk***

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to the Base Currency or to the reference currency of the relevant Class, the Sub-Fund / relevant Class may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency (or reference currency of the relevant Class) and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's / Class' shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency (or the reference currency of the relevant Class) the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Sub-Fund / Class may engage in foreign currency transactions (including transaction on financial derivative instruments) in order to hedge against currency exchange risk however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Sub-Fund / Class from benefiting from the performance of a Sub-Fund's / Class' securities if the currency in which the securities held by the Sub-Fund / Class are denominated rises against the Base Currency (or reference currency of the relevant Class). In case of a hedged Class (denominated in a currency different from the Base Currency), this risk applies systematically.

### ***Liquidity risk***

A Sub-Fund is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption.

The Management Company operates a risk management process effective on a daily basis in identifying, measuring, monitoring and controlling the liquidity risk for all asset classes including, but not limited to financial derivative instruments.

### ***Counterparty Risk***

The Company may enter into over-the-counter transactions which will expose the Sub-Funds to the risk that the counterparty may default on its obligation to perform under such contracts. In the event of bankruptcy of the counterparty, the Sub-Funds could experience delays in liquidating the position and significant losses.

### ***Interest rate risk***

A Sub-Fund that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Exposure to interest rate risk may be hedged using financial derivative instruments or through investment in Exchange Traded Funds. There is however no guarantee that hedging will be achieved.

### ***Credit risk***

A Sub-Fund which has exposure to bonds and other fixed income securities is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Sub-Fund(s) investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

### ***Downgrading Risk***

Investment Grade bonds may be subject to the risk of being downgraded to high yield bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security may be adversely affected. The Management Company or the relevant Investment Manager may or may not dispose of the securities, subject to the investment objective of the Sub-Fund. If downgrading occurs, the high yield debt risk outlined in the paragraph below will apply.

### ***High Yield Debt***

A Sub-Fund which invests in high yield fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a Sub-Fund that invests in investment grade fixed-income securities.

Credit risk is greater for investments in high yield fixed-income securities than for investment grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of high yield fixed-income securities. Investors should therefore be prepared for greater volatility than for investment grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for high yield securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities.

### ***Effect of substantial withdrawals***

Substantial withdrawals by shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

### ***Political risks***

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

Also uncertainties surrounding political, economic and social circumstances, with the associated dangers of expropriation or seizure, unusually high inflation rates, prohibitive tax measures and other negative developments. Political or other circumstances which restrict the investment opportunities of the Sub-Fund, for example restrictions with regard to issuers or industries deemed sensitive to relevant national interests.

### ***General economic conditions***

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

## ***Management Risk***

The Company is actively managed and the Sub-Funds may therefore be subject to management risks. The Company will apply its investment strategy (including investment techniques and risk analysis) when making investment decisions for the Sub-Funds, however, no assurance can be given that the investment decision will achieve the desired results.

## ***Investment Risk***

### *Investment in Equities*

The risks associated with investments in equity (and equity-type) securities include in particular significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity compared to debt securities issued by the same company.

Investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

### *Investments in Fixed Income Securities*

Investments in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in interest rates as well as fluctuations in currency exchange rates (as further described above under section "Interest Rate Risk" and "Foreign Exchange Risk") and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the Reference Currency of the Sub-Fund would reduce the value of certain portfolio securities that are denominated in such a currency.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

As the Net Asset Value of a Sub-Fund is calculated in its Reference Currency, the performance of investments denominated in a currency other than the Reference Currency will depend on the strength of such currency against the Reference Currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-Reference Currency investments (such as a change in the political climate or an issuer's credit quality), an increase in the value of the non-Reference Currency can generally be expected to increase the value of a Sub-Fund's non-Reference Currency investments in terms of the Reference Currency.

The Sub-Funds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies on the basis of the creditworthiness or risk of default. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issue. Moreover, the Sub-Funds may invest in debt instruments in the noninvestment grade sector (high yield debt securities). Compared to investment grade debt securities, high yield debt securities are generally lower-rated and will usually offer higher yields to compensate for their reduced creditworthiness or increased risk of default.



### *Investments in Exchange Traded Funds*

The Sub-Funds may invest part of its assets in units or shares of ETFs. Such investments 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.

In addition, there may be duplication of certain other fees and expenses such as management and advisory charges, custodian fees, administration fees, auditors and legal fees and certain other administrative expenses.

### *Investments in Warrants*

The leveraged effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than in the case of investment in equities. Because of the volatility of warrants, the volatility of the share price of any Sub-Fund investing in warrants may potentially increase.

### *Use of Derivatives*

While the use of financial derivative instruments can be beneficial, financial derivative instruments also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments.

Derivatives are highly specialized financial instruments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions.

If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.

The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives are complex and often valued subjectively.

Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Company. Consequently, the Company's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering the Company's investment objectives.

Derivative instruments also carry the risk that a loss may be sustained by the Company as a result of the failure of the counterparty to a derivative to comply with the terms of the contract (as further described under "Counterparty Risk" above). The default risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. In addition, the use of credit derivatives (credit default swaps, credit linked notes) carries the risk of a loss arising for the Company if one of the entities underlying the credit derivative defaults.

Moreover, OTC derivatives may bear liquidity risks. The counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such cases, the Company might not be in a position to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Unlike exchange-traded derivatives, forward, spot and option contracts on currencies do not provide the Management Company with the possibility to offset the Company's obligations through an equal and opposite transaction. Therefore, through entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under these contracts.

The use of derivative instruments may or may not achieve its intended objective.

#### *Small Capitalisation Companies Risk*

A Sub-Fund which invests in smaller companies may fluctuate in value more than other funds. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. Consequently investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and the relevant Sub-Fund may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

#### *Hedged Share Class Risk*

The hedging strategy applied to hedged Share Classes may vary from one Sub-Fund to another. Each Sub-Fund may apply a hedging strategy which aims to reduce currency risk between the Reference Currency of the respective Sub-Fund and the nominal currency of the hedged Share Class while taking various practical considerations into account. The hedging strategy aims to reduce, but may not totally eliminate, currency exposure.

Investors should note that there is no segregation of liabilities between the individual Share Classes within a Sub-Fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged Share Class could result in liabilities affecting the Net Asset Value of the other Share Classes of the same Sub-Fund. In such case assets of other Share Classes of such Sub-Fund may be used to cover the liabilities incurred by the hedged Share Class.

#### *Clearing and Settlement Procedures*

Different markets also have different clearing and settlement procedures. Delays in settlement may result in a portion of the assets of a Sub-Fund remaining temporarily un-invested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Sub-Fund to miss attractive investment opportunities. The inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-Fund due to subsequent declines in value of the portfolio security or, if a Sub-Fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

### *Investment Countries*

The issuers of fixed income securities and the companies, the shares of which are purchased, are generally subject to different accounting, auditing and financial reporting standards in the different countries of the world. The volume of trading, volatility of prices and liquidity of issuers may vary from one market or country to another. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws and regulations of some countries may restrict the Company's ability to invest in securities of certain issuers located in those countries.

### *Concentration on certain Countries/Regions*

Where a Sub-Fund restricts itself to investing in securities of issuers located in a particular country or countries, such concentration will expose the Sub-Fund to the risk of adverse social, political or economic events which may occur in that country or countries.

The risk increases if the country in question is an emerging market. Investments in these Sub-Funds are exposed to the risks which have been described; these may be exacerbated by the special factors pertaining to this emerging market.

### *Investments in Emerging Countries*

Investors should note that certain Sub-Funds may invest in less developed or emerging markets. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Shares of these Sub-Funds may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well-defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well-organized than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Funds investing in emerging market securities.

It must also be borne in mind that companies are selected regardless of their market capitalization (micro, small, mid, large caps), sector or geographical location. This may lead to a concentration in geographical or sector terms.

Subscriptions in the relevant Sub-Funds are thus only suitable for investors who are fully aware of, and able to bear, the risks related to this type of investment.

#### *Industry/Sector Risk*

The Sub-Funds may invest in specific industries or sectors or a group of related industries. These industries or sectors may, however, be affected by market or economic factors, which could have a major effect on the value of the Sub-Funds' investments.

#### *Securities Lending and Repurchase Transactions*

The use of techniques and instruments relating to transferable securities and money market instruments involves certain risks, some of which are listed in the following paragraphs, and there can be no assurance that the objective sought to be obtained from such use will be achieved.

In relation to repurchase transactions, investors must notably be aware that: (i) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; (ii) (a) locking cash in transactions of excessive size or duration, (b) delays in recovering cash placed out, or (c) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and (iii) repurchase transactions will, as the case may be, further expose a Sub-Fund to risks similar to those associated with optional or forward derivative financial instruments.

In relation to securities lending transactions, investors must notably be aware that: (i) if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; (ii) in case of reinvestment of cash collateral such reinvestment may (a) create leverage with corresponding risks and risk of losses and volatility, (b) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (c) yield a sum less than the amount of collateral to be returned; and (iii) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales.

#### *Taxation*

The proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source.

It is possible that the tax law (and/or the current interpretation of the law) as well as the practice in countries, into which the Sub-Funds invest or may invest in the future, might change. As a result, the Company could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

### **3. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY AND THE SUB-FUNDS**

The primary objective of the Company is to provide investors with an opportunity to invest in professionally managed portfolios. The assets of the Sub-Funds are invested, in accordance with the principle of risk diversification, in transferable securities and other assets as specified in Article 41 of the 2010 Law. The Company seeks to provide a range of Sub-Fund(s) with the purpose of spreading investment risk and satisfying the requirements of investors seeking to emphasise income, capital conservation and/or capital growth as detailed for each Sub-Fund in the relevant section of the "Sub-Fund Particulars".

The investment objective for each Sub-Fund is to maximize the appreciation of the assets invested. In order to achieve this, the Company shall assume a fair and reasonable degree of risk. However, in consideration of market fluctuations and other risks (see "Risk Factors") there can be no guarantee that the investment objective of the relevant Sub-Funds will be achieved.

In pursuing the investment objectives of the Sub-Funds, the Directors at all times seek to maintain an appropriate level of liquidity in the assets of the relevant Sub-Fund so that redemptions of shares under normal circumstances may be made without undue delay upon request by the shareholders.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. The value of the shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the shares to diminish or to increase.

### **4. RISK MANAGEMENT PROCESS**

The Management Company, on behalf of the Company will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of an investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

### **5. SHARES**

The Board of Directors may, within each Sub-Fund, decide to create different Classes of shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, hedging strategy, reference currency, distribution policy or other specific features may apply to each Class. A separate Net Asset Value per share, which may differ as a consequence of these variable factors, will be calculated for each Class. The offering details of each Sub-Fund, including the name and characteristics of the different Classes created in each Sub-Fund are disclosed in the relevant section of the "Sub-Fund Particulars". The Board of Directors may at any

time decide to issue further Classes of shares in each Sub-Fund, in which case the relevant section of the "Sub-Fund Particulars" will be amended accordingly.

The Management Company may, at any time, offer existing Classes through different distribution channels in different countries.

Within each Class, separate currency hedged Classes may be issued. Any fees relating to the hedging strategy (including any fees of the Administration Agent relating to the execution of the hedging policy) will be borne by the relevant Class. Any gains or losses from the currency hedging shall accrue to the relevant hedged Class.

Fractions of shares up to three decimal places will be issued if so decided by the Board of Directors. Such fractions shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class on a pro rata basis.

All shares must be fully paid-up; they are of no nominal value and carry no preferential or pre-emptive rights. Each share of the Company, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles of Incorporation. The Company will recognise only one holder in respect of each share. In the event of joint ownership, the Company may suspend the exercise of any voting right deriving from the relevant share(s) until one person shall have been designated to represent the joint owners *vis-à-vis* the Company.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Directors may in this connection require a shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the shares which he holds.

## **6. HOW TO BUY SHARES**

### **6.1 Application**

Applicants buying shares for the first time need to complete the Application Form which can be sent first by fax to the Registrar and Transfer Agent. The original Application Form has to be sent without delay to the Registrar and Transfer Agent. Any subsequent purchase of shares can be made by Swift, fax or any other form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent.

### **6.2 Dealing cut-off times**

Unless otherwise provided for a specific Sub-Fund in the relevant section of the "Sub-Fund Particulars", subscription requests must be received by the Registrar and Transfer Agent or the relevant distributors not later than 4.00 p.m. CET.

### **6.3 Acceptance**

The right is reserved by the Company to reject any subscription or conversion application in whole or in part without giving the reasons thereof. If an application is rejected, the application monies or balance thereof will be returned at the risk of the applicant and without interest as soon as practicable.

### **6.4 Anti-money laundering and prevention of terrorist financing**

Pursuant to the Luxembourg Laws of 19 February 1973 (as amended), to combat drug addiction, of 5 April 1993 (as amended), relating to the financial sector, and of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, and to the relevant circulars and regulations of the Luxembourg supervisory authority (CSSF), obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment, such as the Company, for money laundering and terrorist financing purposes ("AML & KYC").

As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment shall in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require applicants to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription will not be accepted. Neither Company nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under relevant laws and regulations.

The list of identification documents to be provided by each applicant will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time and based on the AML & KYC guidelines of the Registrar and Transfer Agent. These requirements may be amended following any new Luxembourg regulations.

Applicants may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the applicant to provide the documents required, the application for subscription will not be accepted.

The Registrar and Transfer Agent may suspend the payment of redemption proceeds until the redeeming shareholder has provided the Registrar and Transfer Agent with all the requested documents to comply with the Luxembourg regulations.

### **6.5 Settlement**

#### ***In Cash***

Subscription proceeds will in principle be paid in the reference currency of the relevant Class specified in the relevant section of the "Sub-Fund Particulars" within the timeframe provided for in the relevant section of the "Sub-Fund Particulars". The Board of Directors may also accept payment in any other

freely convertible currency specified by the applicant. In that case, any currency conversion cost shall be borne by the applicant.

Settlement may be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Sub-Fund / Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or may be obtained from a distributor.

### ***In Kind***

The Directors may, at their discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant Sub-Fund. A special report of the Company's Luxembourg Auditors will be issued. Additional costs resulting from a subscription in kind (including the costs of the Auditors' report) will be borne exclusively by the subscriber concerned, unless the Board of Directors considers that the subscription in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

#### **6.6 Share allocation**

Shares are provisionally allotted but not allocated until cleared funds have been received by the Company or to its order. Cleared monies must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth in the relevant section of the "Sub-Fund Particulars".

If settlement is not received by the Company or to its order in cleared funds by the due date the Company reserves the right to cancel the provisional allotment of shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect settlement.

#### **6.7 Contract notes**

Contract notes which are no proofs of ownership are provided to the investor as soon as practicable after the allotment of shares.

#### **6.8 Form of shares**

Shares are only issued in registered form and ownership of shares will be evidenced by entry in the Register. Shareholders will receive a confirmation of their shareholding as soon as reasonably practicable after the relevant Valuation Day.

### **7. HOW TO SELL SHARES**

The terms and conditions applying to the redemption of the shares of the Company are detailed, for each Sub-Fund, in the relevant section of the "Sub-Fund Particulars".



## **7.1 Request**

Redemption requests should be made to the Company, either directly to the Registrar and Transfer Agent or through an appointed distributor. Redemption requests made directly to the Registrar and Transfer Agent may be made by Swift, fax, WEBSRA or any other form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent.

In compliance with the forward pricing principle, redemption requests received after the applicable cut-off time (as detailed under section 6.2. "Dealing cut-off times" above) will be deferred to the next following Redemption Day.

## **7.2 Settlement**

### ***In Cash***

Redemption proceeds will in principle be paid in the reference currency of the relevant Class specified in the relevant section of the "Sub-Fund Particulars" within the timeframe provided for in the relevant section of the "Sub-Fund Particulars". The Board of Directors may also agree to satisfy the payment of redemption proceeds in any other freely convertible currency specified by the shareholder. In that case, any currency conversion cost shall be borne by the shareholder and the payment of the redemption proceeds will be carried out at the risk of the shareholder.

### ***In Kind***

At a shareholder's request, the Company may elect to make a redemption in kind subject to a special report from the Company's Luxembourg Auditors, having due regard to the interests of all shareholders, to the industry sector of the issuer, to the country of issue, to the liquidity and to the marketability and the markets on which the investments distributed are dealt in and to the materiality of investments. Additional costs resulting from a redemption in kind will be borne exclusively by the shareholder concerned, unless the Board of Directors considers that the redemption in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

## **7.3 Contract notes**

Contract notes are sent to shareholders as soon as practicable after the transaction has been effected.

## **7.4 Compulsory redemption**

If a redemption/conversion instruction would reduce the value of a shareholder's residual holding in any one Sub-Fund or Class to below the minimum holding requirement as set forth (if applicable) in the relevant section of the "Sub-Fund Particulars", the Company may decide to compulsorily redeem the shareholder's entire holding in respect of that Sub-Fund.

The Company may also compulsorily redeem any shares that are acquired or held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including but not limited to (i) a requirement to register under any securities or investment or similar

laws or requirements of any country or authority or (ii) tax liabilities that might derive, *inter alia* from any breach of FATCA requirements, as further detailed in the Articles of Incorporation.

If it appears at any time that a holder of shares of a Class or of a Sub-Fund reserved to Institutional Investors (in the meaning of Article 174 of the 2010 Law) is not an Institutional Investor, the Board of Directors will convert the relevant shares into shares of a Class or of a Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class of Shares or of a Sub-Fund with similar characteristics) or compulsorily redeem the relevant shares in accordance with the provisions set forth in the Articles of Incorporation.

### **7.5 Deferral of redemption**

In order to ensure that shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of shareholders, on receiving requests to redeem shares amounting to 10% or more of the net asset value of any Sub-Fund shall not be bound to redeem on any Redemption Day a number of shares representing more than 10% of the net asset value of any Sub-Fund. If the Company receives requests on any Redemption Day for redemption of a greater number of shares, it may declare that such redemptions exceeding the 10% limit may be deferred for such period as the Board of Directors considers necessary to realise sufficient assets to meet these redemption requests. Unless otherwise decided by the Board of Directors on the basis of exceptional circumstances, the deferral period should in principle not exceed one month. Redemption requests will be met in priority to later requests.

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

### **7.6 Cancellation right**

Requests for redemption once made may in principle only be withdrawn in the event of a suspension or deferral of the right to redeem shares of the relevant Sub-Fund. In exceptional circumstances, the Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for redemption.

### **7.7 Prevention of market timing practices**

The Company does not knowingly allow investments which are associated with market timing practices as such practices may adversely affect the interests of all shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value. Market timers may also include

individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

The Registrar and Transfer Agent may combine shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Management Company reserves the right to cause the Registrar and Transfer Agent to reject any application for conversion and/or subscription of shares from applicants whom the former considers market timers.

In addition to the fees listed elsewhere in this Prospectus, the Board of Directors may impose a charge of up to 2% of the net asset value of the shares redeemed or exchanged where the Board of Directors reasonably believes that an investor has engaged in market timing activity or active trading that is to the disadvantage of other shareholders. The charge shall be credited to the relevant Sub-Fund.

### **7.8 Late trading**

The Company determines the price of its shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per share at which shares will be bought or sold (exclusive of any subscription or redemption commission).

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("**cut-off time**") on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable net asset value. As a result, subscriptions, conversions and redemptions of shares shall be dealt with at an unknown net asset value. The cut-off time for subscriptions, conversions and redemptions is set out in the relevant section of the "Sub-Fund Particulars".

## **8. FOREIGN EXCHANGE TRANSACTIONS**

Where subscription and redemption proceeds are paid in another currency than the reference currency of the relevant Class, the necessary foreign exchange transactions will be arranged by the Registrar and Transfer Agent for the account and at the expenses of the applicant at the exchange rate prevailing on the relevant Valuation Day.

## **9. HOW TO CONVERT SHARES**

To the extent provided for in the relevant section of the "Sub-Fund Particulars", shareholders will be entitled to request the conversion of the shares they hold in one Sub-Fund into shares of another Sub-Fund or to request the conversion of the shares they hold in one Class into another Class of the same Sub-Fund by making application to the Registrar and Transfer Agent in Luxembourg or through a distributor, if any, by Swift or fax, confirmed in writing by no later than the cut-off time (as detailed under section 6.2. "Dealing cut-off times" above).

Such application must include the following information: the name of the holder, the number of shares to be switched (if it is not the total holding) and, if possible, the reference number on any share of each

Sub-Fund to be switched and the proportion of value of those shares to be allocated to each new Sub-Fund or Class (if more than one).

Conversions will be subject to the condition that all conditions to subscribe in shares relating to the new Sub-Fund/Class are met.

Unless otherwise provided for in the relevant section of the "Sub-Fund Particulars", conversions (when authorised) may be accepted on each Valuation Day which is both a Subscription Day for the new Sub-Fund / Class and a Redemption Day for the original Sub-Fund / Class (or any other day fixed by the Board of Directors on a discretionary basis) (the "Conversion Day").

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding, the Company may compulsorily redeem the residual shares at the redemption price ruling on the relevant Conversion Day and make payment of the proceeds to the shareholder.

The basis of conversion is related to the respective Net Asset Value per share of the Sub-Fund or Class concerned. The Company will determine the number of shares into which a shareholder wishes to convert his existing shares in accordance with the following formula:

$$A = \frac{(B \times C \times D) - F}{E}$$

The meanings are as follows:

- A: the number of shares to be issued in the new Sub-Fund/Class
- B: the number of shares in the original Sub-Fund/Class
- C: Net Asset Value per share to be converted
- D: currency conversion factor
- E: Net Asset Value per share to be issued
- F: Conversion charge (as detailed in the relevant section of the "Sub-Fund Particulars")

The Company will provide a confirmation including the details of the conversion to the shareholder concerned.

Any conversion request shall in principle be irrevocable, except in the event of a suspension of the calculation of the net asset value of the Class or of the Sub-Fund concerned or deferral. The Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for conversion.

In compliance with the forward pricing principle, requests for conversions received after the cut-off time will be deferred to the next following Conversion Day.

The rules applicable to the deferral of redemptions will apply *mutatis mutandis* to conversion requests.

## 10. NET ASSET VALUE AND DEALING PRICES

### Calculation of net asset value

#### *Valuation Principles*

The net asset value of each Class within each Sub-Fund (expressed in the currency of denomination of the Sub-Fund) is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and deducting the liabilities of the Company allocated to that Class.

The assets of each Class within each Sub-Fund are valued as of the Valuation Day, as defined in the relevant section of the "Sub-Fund Particulars", as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available net asset value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;
2. the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market at the last available stock price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;
3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;
4. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
5. the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
6. swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the

underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;

7. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
8. any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;
9. in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;
10. in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles are in the best interests of the shareholders any other appropriate valuation principles for the assets of the Company; and
11. in circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in USD.

#### *Dilution Provisions*

The Sub-Funds are single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, switches and/or redemptions in and out of a Sub-Fund. This is known as "dilution".

- Swing Pricing

In order to counter this and to protect shareholders' interests, the Company may apply a technique known as swing pricing as part of its valuation policy. This will mean that in certain circumstances the Company will make adjustments in the calculations of the Net Asset Values per share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

### *Dilution Adjustment*

The need to make a dilution adjustment will depend upon the net value of subscriptions, conversions and redemptions received by a Sub-Fund on each Valuation Day. The Company therefore reserves the right to make a dilution adjustment where a Sub-Fund experiences a net cash movement which exceeds a threshold, set by the Board of Directors from time to time, of the previous Valuation Day's net asset value.

The Company may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of existing shareholders to do so.

Where a dilution adjustment is made, it will typically increase the Net Asset Value per share when there are net inflows into a Sub-Fund and decrease the Net Asset Value per share when there are net outflows. The Net Asset Value per share of each Class in a Sub-Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the Net Asset Value per share of each Class identically.

As dilution is related to the inflows and outflows of money from a Sub-Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Company will need to make such dilution adjustments.

Because the dilution adjustment for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, which can vary with market conditions, this means that the amount of the dilution adjustment can vary over time but will not exceed 2% of the relevant net asset value.

- Dilution Levy

In order to mitigate the "dilution" and consequent potential adverse effect on remaining shareholders, the Company has, alternatively, the power to charge a "dilution levy" of up to 2% of the applicable Net Asset Value when Shares are subscribed for or redeemed, such "dilution levy" to accrue to the affected Sub-Fund. Any dilution levy must be fair to all shareholders and potential shareholders and the Company will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose. The dilution levy mechanism will not be applied if the swing pricing mechanism is used.

### **Temporary suspension**

The Company may suspend the issue, allocation and the redemption of shares relating to any Sub-Fund as well as the right to convert shares and the calculation of the Net Asset Value per share relating to any Class:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed (other than for ordinary holidays), or during which dealings are substantially restricted or suspended;

- b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the relevant Sub-Fund by the Company is not possible;
- c) during any period when the determination of the Net Asset Value per share of the underlying funds or the dealing of their shares/units in which a Sub-Fund is a materially invested is suspended or restricted;
- d) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund's investments or the current prices on any market or stock exchange;
- e) during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund's investments is not possible;
- f) from the date on which the Board of Directors decides to liquidate or merge one or more Sub-Fund(s)/Class of Shares or in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class of Shares is to be proposed; or
- g) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in shares of any Sub-Fund of the Company;
- h) during any other circumstance or circumstances where a failure to do so might result in the Company or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment to which the Company or its shareholders might not otherwise have suffered.

The Company may cease the issue, allocation, conversion and redemption of the shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

To the extent legally or regulatory required or decided by the Company, shareholders who have requested conversion or redemption of their shares will be promptly notified in writing of any such suspension and of the termination thereof.

### **Offer price**

Shares will be issued at a price based on the net asset value determined as at the relevant Valuation Day. Subscription proceeds shall be paid within the timeframe disclosed in the relevant section of the "Sub-Fund Particulars".



## **Redemption price**

Shares will be redeemed at a price based on the net asset value determined at the relevant Valuation Day less any applicable redemption charge disclosed in the relevant section of the "Sub-Fund Particulars". The redemption price will be payable within the timeframe disclosed in the relevant section of the "Sub-Fund Particulars".

## **Information on prices**

The Net Asset Value per share in each Sub-Fund is available at the registered office of the Company.

## **11. DIVIDENDS**

The Directors may issue distribution and capital-accumulation shares, as further specified in the relevant section of the "Sub-Fund Particulars".

- i) Capital-accumulation shares do not pay any dividends.
- ii) The distribution policy of the distribution shares can be summarised as follows:

Dividends will be declared by the relevant shareholders at the annual general meeting of shareholders or any other shareholder meeting. During the course of a financial year, the Board of Directors may declare interim dividends in respect of certain Sub-Fund(s) or distribution shares.

In the absence of any instruction to the contrary, dividends will be paid out. Holders of registered shares may however, by written request to the Registrar and Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any distribution Class of any Sub-Fund reinvested automatically in the acquisition of further shares relating to that Sub-Fund. Such shares will be purchased no later than on the next Valuation Day after the date of payment of the dividend. Shares allocated as a result of such reinvestment will not be subject to any sales charge.

## **12. CHARGES AND EXPENSES**

### **Management Fee and Distribution Fee**

In consideration for the management company services, including but not limited to investment management, investment advisory and distribution services provided to the Company, the Management Company is entitled to receive an aggregate management fee of a percentage of the net assets of the relevant Class (the "Management Fee"), as well as a distribution fee, if any, as further detailed in the relevant section of the "Sub-Fund Particulars". Unless otherwise provided for in the relevant section of the "Sub-Fund Particulars", these fees will be accrued on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund/ Share Class. The Management Company will receive a minimum annual fee of 24.500 EUR for each Sub-Fund irrespective of the amount of the assets under management.

For all Sub-Fund(s), in certain circumstances, the Management Company may instruct the Company to pay a portion of the above fees and expenses directly out of the assets of the Company to any such

service providers. In such case, the fees and expenses due to the Management Company are reduced accordingly.

### **Performance Fee**

To the extent provided for in the relevant section of the "Sub-Fund Particulars", the Management Company will also be entitled to receive a performance fee (the "Performance Fee"), the details of which will (where applicable) be disclosed in the relevant section of the "Sub-Fund Particulars".

### **Central administration Fee**

In consideration of its services, the Administration Agent, Registrar and Transfer Agent and Domiciliary Agent will be entitled to receive from the Company customary fees of maximum 0.06% per annum (Luxembourg tax not included). The central administration fees will be calculated by reference to the monthly average net asset value of each Class with a minimum annual fee of the equivalent in USD of EUR 30,000 per Sub-Fund (reduced for the first financial year to the equivalent in USD of EUR 20,000). They will accrue on each Valuation Day and will be payable monthly in arrears.

### **Depositary Fees**

In consideration of its services, the Depositary will be entitled to receive from the Company customary fees of maximum 0.05% per annum (Luxembourg tax not included) with a minimum annual fee of the equivalent in USD of EUR 20,000 per Sub-Fund. The depositary fees will be calculated by reference to the monthly average net asset value of each Class. They will accrue on each Valuation Day and will be payable monthly in arrears.

In addition, the Depositary will be entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and to receive reimbursement for the fees charged to it by any correspondent bank or other agent (including any clearing system).

### **Other charges and expenses**

The Company also pays the costs and expenses (i) of all transactions carried out by it or on its behalf and (ii) of the administration of the Fund, including but not limited to (a) the charges and expenses of legal advisers and the Auditor, (b) brokers' commissions (if any) and any issue or transfer taxes chargeable in connection with any securities transactions, (c) all taxes and corporate fees payable to governments or agencies, (d) Directors' fees, (e) Investment Manager's cost and expenses associated with the operations of the Company or the relevant Sub-Fund with regard to its establishment, organisational, administrative and offering expenses, (f) interest on borrowings, (g) communication expenses with respect to investor services and all expenses of meetings of shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses, key investor information documents, and similar documents, (h) the cost of insurance (if any), (i) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, being *inter alia* the cost of obtaining and maintaining the listing of the shares, as the case may be and marketing and promotional expenses and (j) all other organisational and operating expenses, including out-of-pocket expenses incurred on behalf of the Company.

Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company.

The costs and expenses for the formation of the Company and the initial issue of its shares will be borne by the first Sub-Funds of the Company (namely the Small Cap Latam Fund and the LATAM High Yield Bond Fund) and amortized over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear their own formation expenses to be amortized over a period not exceeding 5 years.

### **13. MANAGEMENT COMPANY**

The Company has appointed Luxembourg Investment Solutions S.A. as the management company pursuant to an agreement effective as of 11 June 2014. In this capacity, the Management Company acts as asset manager, administrator and distributor of the Company's shares.

The Management Company has delegated the above-mentioned tasks as follows:

Tasks relating to investment management are performed by the investment managers as further detailed under section 14. and in the relevant section of the "Sub-Fund Particulars".

The Management Company has delegated the administration functions to the Administration Agent and Registrar and transfer functions to the Registrar and Transfer Agent.

The Management Company was incorporated in Luxembourg on 27.08.2009 as a *société anonyme* for an indefinite period and is subject to the provisions of Chapter 15 of the 2010 Law. It has its registered office in Luxembourg, at Airport Center Luxembourg, 5, Heienhaff, L-1736 Senningerberg.

The articles of incorporation of the Management Company were published in the "*Mémorial, Recueil des Sociétés et Associations*" on 19.10.2009 and have since that time been amended several times. The latest amendments were published on 15.11.2013. The articles of incorporation of the Management Company are filed in their consolidated, legally binding form for public reference in the Luxembourg Trade and Companies Register under no. B 148.473.

The equity capital of the Management Company amounts to 500,000 EUR.

The board of directors of the Management Company shall have plenary powers on behalf of the Management Company and shall cause and undertake all such actions and provisions which are necessary in pursuit of the Management Company's objective, particularly in relation to the management of the Company's assets, administration and distribution of Shares.

The Board of Directors is currently composed of the members listed in the Directory section of the Prospectus.

The Management Company is supervised by an independent auditor. At present, this function is performed by PricewaterhouseCoopers, Luxembourg.

In addition to the Company, the Management Company also manages other undertakings for collective investment the list of which is available at the registered office of the Management Company.

The Management Company's remuneration policy shall support its overarching business strategy, which strives for building long-term relationships with customers and employees, and managing the financial consequences of business decisions across the entire economic cycle. The policy (i) is in line with the objectives, values and interests of the Management Company and the funds managed by the Management Company and of the investors in such funds, (ii) takes also into account the nature, size, and scope of the Management Company and of each fund it manages, (iii) includes measures to avoid conflicts of interest and (iv) is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profile and the articles of incorporation of the UCITS managed by the Management Company.

Luxembourg Investment Solutions S.A. usually delegates the portfolio management function to external managers when acting as Management Company for UCITS, which makes the Management Company revenues stream less dependent on the performance of the UCITS it manages.

Furthermore, the Management Company's governing body, senior management and employees performing control functions are generally not or only little exposed to the temptation of excessive risk taking as the remuneration is not directly linked to the performance of the funds the Management Company manages. The assessment of performance is nevertheless set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the UCITS and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The Management Company is managed by its shareholders, which aligns the long-term objectives and risk appetite of the governing body with those of the shareholders. Moreover, by being the shareholders of the Management Company, the overall benefits of the governing body are automatically linked to the long-term performance and economic strategy of the Management Company and discourage short-term risk-taking in the management of the Company.

The remuneration policy also ensures that 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.

Please refer to [www.lis-aifm.lu/imprint](http://www.lis-aifm.lu/imprint) for further details of the current remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits. A paper copy of the remuneration policy will be made available free of charge upon written request.

#### **14. INVESTMENT MANAGER / ADVISER**

The Management Company may, at its own costs, delegate all or part of its management duties to one or more investment managers (each an "Investment Manager") whose identity will be disclosed in the relevant section of the "Sub-Fund Particulars".

The Management Company or an Investment Manager may also, at its own costs, appoint one or more investment advisers (each an "Investment Adviser") to advise it on the management of one or more Sub-Fund(s).

## 15. DEPOSITARY AND PAYING AGENT

UBS Europe SE, Luxembourg Branch has been appointed as depositary of the Company (the "Depositary") in replacement of UBS (Luxembourg) S.A. The Depositary will also provide paying agent services to the Company.

On 1 December 2016, UBS (Luxembourg) S.A. has been merged into UBS Deutschland AG which had simultaneously adopted the form of a European Company (*Societas Europaea*, SE) under the name "UBS Europe SE", while the business conducted in Luxembourg is carried on without interruption by the Luxembourg branch under the name "UBS Europe SE, Luxembourg Branch". No change has occurred to the current processes and operations of the Depositary. The fees payable to the Depositary have not been affected by the merger of UBS (Luxembourg) S.A. into UBS Europe SE acting through its Luxembourg Branch.

The Depositary has been appointed for the safe-keeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Company as well as to ensure for the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the 2010 Law and the depositary agreement entered into between the Company, the Depositary and the Management Company (the "Depositary Agreement"). Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the 2010 Law.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation, (ii) the value of the shares is calculated in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation, (iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law, the Prospectus and/or the Articles of Incorporation, (iv) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits, and (v) the Company's incomes are applied in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation.

In compliance with the provisions of the Depositary Agreement and the 2010 Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Company to one or more sub-custodian(s), as they are appointed by the Depositary from time to time. The Depositary does not allow its sub-custodians to make use of sub-delegates which have not been approved by the Depositary in advance.

Prior to the appointment of any sub-custodian and sub-delegate and on an ongoing basis based on applicable laws and regulations as well as its conflict of interests policy the Depositary shall assess potential conflicts of interests that may arise from the delegation of its safekeeping functions. The Depositary is part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safekeeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or indirect interests. Investors may obtain additional information free of charge by addressing their request in writing to the Depositary.

In order to avoid any potential conflicts of interest, the Depositary does not appoint any sub-custodians and does not allow the appointment of any sub-delegate which is part of the UBS Group, unless such appointment is in the interest of the Shareholders and no conflict of interest has been identified at the time of the sub-custodian's or sub-delegate's appointment. Irrespective of whether a given sub-custodian or sub-delegate is part of the UBS Group or not, the Depositary will exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the ongoing monitoring of the relevant sub-custodian or sub-delegate. Furthermore, the conditions of any appointment of a sub-custodian or sub-delegate that is member of the UBS Group will be negotiated at arm's length in order to ensure the interests of the Company and its Shareholders. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to Shareholders. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates and sub-delegate(s) can be found on the following webpage: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the 2010 Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements. In order to ensure that its tasks are only delegated to sub-custodians providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the 2010 Law in the selection and the appointment of any sub-custodian to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian to which it has delegated parts of its tasks as well as of any arrangements of the sub-custodian in respect of the matters delegated to it. In particular, any delegation is only possible when the sub-custodian at all times during the performance of the tasks delegated to it segregates the assets of the Company from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the 2010 Law. The Depositary's liability shall not be affected by any such delegation, unless otherwise stipulated in the 2010 Law and/or the Depositary Agreement.

The Depositary is liable to the Company or its Shareholders for the loss of a financial instrument held in custody within the meaning of article 35 (1) of the 2010 Law and article 12 of the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries (the "Fund Custodial Assets") by the Depositary and/or a sub-custodian (the "Loss of a Fund Custodial Asset").

In case of Loss of a Fund Custodial Asset, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the 2010 Law, the Depositary will not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Company and to the Shareholders for all other direct losses suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the 2010 Law and the Depositary Agreement. The Company and the Depositary may terminate the Depositary Agreement at any time by giving

three (3) months' notice by registered letter. In case of a voluntary withdrawal of the Depositary or of its removal by the Company, the Depositary must be replaced before maturity of such notice period by a successor depositary to whom the Company's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Company does not name such successor depositary in time the Depositary may notify the CSSF of the situation.

## **16. ADMINISTRATION**

### **Administration Agent**

The Management Company has transferred the administration of the Company to UBS Fund Services (Luxembourg) S.A., a service company registered in Luxembourg pursuant to an agreement effective as of 11 June 2014, and has authorized the latter in turn to delegate tasks wholly or partly to one or more third parties under the supervision and responsibility of the Management Company.

As the Administration Agent, UBS Fund Services (Luxembourg) S.A., will assume all administrative duties that arise in connection with the administration of the Company.

### **Registrar and Transfer Agent**

UBS Fund Services (Luxembourg) S.A. has also been appointed as Registrar and Transfer Agent of the Company pursuant to an agreement effective as of 11 June 2014 with the Management Company, which may be terminated by a written prior notice given three months in advance by either party to the other.

## **17. CONFLICTS OF INTEREST**

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the Administrator and the other service providers of the Company, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Company.

The Management Company, the Investment Manager, the Administrator and the Depositary have adopted and implemented a conflicts of interest policy and have made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Company's interests being prejudiced, and if they cannot be avoided, ensure that the Company's investors are treated fairly.

There is no prohibition on the Company entering into any transactions with the Management Company, the Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent or the Depositary or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. The Investment Manager or any affiliates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell shares of the Company.

The Administration Agent and the Depositary are part of the UBS Group (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Company invests.

The Affiliated Person including its subsidiaries and branches may act as counterparty and in respect of financial derivative contracts entered into by the Company. A potential conflict may further arise as the Depository is related to a legal entity of the Affiliated Person which provides other products or services to the Company.

In the conduct of its business, the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Company or its shareholders. The Affiliated Person strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, the Affiliated Person has implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Company or its shareholders, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

## **18. DISTRIBUTION OF SHARES**

The Management Company may, at its own cost, delegate all or part of its distribution functions to one or more distributors.

## **19. MEETINGS AND REPORTS**

The annual general meeting of shareholders of the Company (the "Annual General Meeting") is held at the registered office of the Company or such other place as may be specified in the notice of meeting in Luxembourg at 10 am (Luxembourg time) on the 11<sup>th</sup> of June in each year (or, if such day is not a Business Day, on the next following Business Day in Luxembourg).

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the Annual General Meeting may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board of Directors.

Other general meetings of shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg Law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his shares shall be determined by reference to the shares held by this shareholder as at the Record Date.



Financial periods of the Company end on 31 December in each year. The annual report containing the audited consolidated financial accounts of the Company expressed in USD in respect of the preceding financial period and with details of each Sub-Fund in the relevant Base Currency is made available at the Company's registered office, at least 15 days before the Annual General Meeting.

Copies of all reports are available at the registered offices of the Company.

## **20. TAXATION**

### **Taxation of the Company**

The following summaries are based on the Company's understanding of the law and practice in force in Luxembourg at the date of this prospectus. As shareholders will be resident for tax purposes in various jurisdictions, no attempt has been made in this Prospectus to summarise the tax consequences for every jurisdiction which may be applicable to investors subscribing for, purchasing, holding, exchanging, selling or redeeming shares. These consequences will vary in accordance with the law and practice in force in the relevant shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances. Hence no shareholder should solely rely on the following guidance when determining the tax consequences of investing in the Company's shares.

It is the responsibility of shareholders or prospective shareholders to inform themselves of the possible tax consequences of subscribing to, purchasing, holding, exchanging, selling or redeeming shares in the light of the laws of the country relevant to their citizenship, residence or domicile and of their personal circumstances and to take appropriate professional advice regarding exchange control or other legal restrictions relating thereto. Shareholders and prospective investors also should bear in mind that levels and bases of taxation, as well as tax authority practices, may change and that such changes may have, depending on the countries, retrospective effect.

### **Luxembourg**

The Company is not liable to any Luxembourg tax on profits or income.

The Company is not subject to net wealth tax.

The Company is, however, liable in Luxembourg to a subscription tax of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant calendar quarter. This tax rate is reduced to 0.01% per annum for Classes of shares reserved to institutional investors within the meaning of Article 174 of the 2010 Law. In addition, the value of the Sub-Fund(s)' assets represented by units held in other Luxembourg undertaking for collective investment shall be exempt from this tax, provided such units have already been subject to this subscription tax.

### **Withholding tax**

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax

treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company are not subject to withholding tax in Luxembourg.

### **Taxation of shareholders**

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling or converting shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Prospective investors also should bear in mind that levels and bases of taxation may change.

### **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive shall apply the first time by 30 September 2018 for the calendar year 2017, i.e. the Directive 2003/48/EC of 3 June 2003 on taxation on savings income in form of interest payments, as amended.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. The Company shall communicate any information to the investor according to which (i) the Company is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*). Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the

Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("*Multilateral Agreement*") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Company reserves the right to refuse any application for shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

### **Non Luxembourg Residents**

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the shares nor on the distribution received from the Company and the shares will not be subject to net wealth tax.

### **Prospective investors**

**Prospective investors should inform themselves of, and, when appropriate, take advice on, the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls) applicable to the subscription, purchase, holding conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation and the current tax status of the Company in Luxembourg.**

### **Applicable law**

The Luxembourg District Court is competent for all legal disputes between the shareholders and the Company. Luxembourg law applies. The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

## **21. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS**

### **Liquidation of the Company**

With the consent of the shareholders expressed in the manner provided for by articles 67-1 and 142 of the 1915 Law, the Company may be liquidated. Upon a decision taken by the shareholders of the Company or by the liquidator duly authorised and subject to a one month's prior notice to the shareholders, all assets and liabilities of the Company may be transferred to another UCI having substantially the same characteristics as the Company in exchange for the issue to shareholders in the Company of shares of such corporation or fund proportionate to their shareholdings in the Company.

If at any time the value at their respective net asset values of all outstanding shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg Law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of shareholders

acting, without minimum quorum requirements, by a simple majority decision of the shares represented at the meeting.

If at any time the value at their respective net asset values of all outstanding shares is less than one quarter of the minimum capital for the time being required by Luxembourg Law, the Directors must submit the question of dissolution of the Company to a general meeting, acting without minimum quorum requirements and a decision to dissolve the Company may be taken by the shareholders owning one quarter of the shares represented at the meeting.

Any voluntary liquidation will be carried out in accordance with the provisions of the 2010 Law and the 1915 Law which specify the steps to be taken to enable shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignation* of any such amounts to the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

### **Liquidation, merger, split or consolidation of Sub-Fund(s)/Classes**

The Directors may decide to liquidate one Sub-Fund if the net assets of such Sub-Fund fall below USD 25,000,000 or its equivalent or, one Sub-Fund/Class of shares if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if the interests of the shareholders would justify it. The decision of the liquidation will be published or notified to the shareholders by the Company as decided from time to time by the Directors, prior to the effective date of the liquidation and the publication/notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides, in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their shares. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund or Class concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for shareholders' approval, the decision to liquidate a Sub-Fund or Class may be taken at a meeting of shareholders of the Sub-Fund or Class to be liquidated instead of being taken by the Board of Directors. At such Class/Sub-Fund meeting, no quorum shall be required and the decision to liquidate must be approved by shareholders with a simple majority of the votes cast. The decision of the meeting will be notified to the shareholders and/or published by the Company.

Any merger, split or consolidation of a Sub-Fund/Class of shares shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger/split/consolidation to a meeting of shareholders of the Sub-Fund (or Class as the case may be) concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition the provisions on mergers of UCITS set forth in the 2010 Law and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

## **22. DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINTS**

### **Documents available for inspection**

The following documents are available for inspection during usual business hours on any Business Day at the registered office of the Company.

- i) The Articles of Incorporation;
- ii) The most recent Prospectus;
- iii) The Key Investors Information Documents;
- iv) The latest annual and semi-annual reports; and
- v) The material agreements.

In addition, copies of the Articles of Incorporation, the most recent Prospectus, the Key Investor Information Documents and the latest financial reports may be obtained free of charge, on request at the registered office of the Company.

In addition, the Key Investor Information Documents may be obtained in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the Company.

A brief description of the strategy followed for the exercise of voting rights of the Company will be available on [www.investment-solutions.lu](http://www.investment-solutions.lu).

### **Queries and complaints**

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Company or the Management Company.

<b>SUB-FUND PARTICULARS</b>
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## **A. EQUITY FUNDS**

Subject to the limits set forth in the appendices 1 and 2 to this Prospectus, the Company may with respect to each Sub-Fund invest in financial derivative instruments and use techniques and instruments for the purpose of efficient portfolio management.

### **1. EUROAMERICA AM SICAV – SMALL CAP LATAM FUND**

#### **1. Name of the Sub-Fund**

Small Cap Latam Fund (the "**Sub-Fund**").

#### **2. Base Currency**

USD

#### **3. Investment objective, policy and strategy**

The Sub-Fund aims to provide long-term capital growth by investing principally in equity securities issued by Latin American companies, and American Depositary Receipts of small capitalised Latin American companies. The Sub-Fund aims to be diversified in terms of sectors and countries within the region, offering a core exposure to the Latin American stock market and to companies listed on a stock exchange outside Latin America region but which generate a significant part of their income in or from Latin America and/or which have their registered office in Latin America. The Investment Manager seeks to add value primarily through stock selection.

Investments may be denominated in USD or other Latin American currencies. Currency risks may be hedged entirely or partially against USD through the use of financial derivative instruments including currency forwards or futures.

#### **4. Investment Manager / Adviser**

The Management Company has delegated the investment management of the Sub-Fund to Euroamerica Administradora General de Fondos S.A., a company incorporated in Chile on February, the 7<sup>th</sup>, 2002 and having its registered office at Av. Apoquindo 3885 p20, Santiago, Chile.

The Investment Manager will manage the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objectives and investment and borrowing restrictions of the Company and the Sub-Fund under the overall responsibility of the Board of Directors.

EuroAmerica Administradora General de Fondos S.A. is based in Santiago, Chile and is part of EuroAmerica S.A., a non-banking financial holding group that started operation in 1900 as an insurance company. Currently, the Investment Manager offers investment management services to retail and institutional clients in Chile and internationally.

It manages third party assets under the Law N° 20.712 and other complimentary activities as authorized by the Chilean Superintendency of Securities and Insurance.

## 5. Profile of the typical investor

The Sub-Fund may suit investors seeking for a diversified and growth orientated investment strategy and is appropriate for investors who are investing for long-term capital growth and who are willing to accept market volatility.

The Sub-Fund is appropriate for investors with a time investment horizon exceeding 5 years.

IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.

## 6 Global Exposure

The global exposure relating to this Sub-Fund will be calculated using commitment approach.

## 7. Classes of shares available for subscription

<b>Class of Shares</b>	<b>Class A</b>	<b>Class B</b>	<b>Class EA</b>	<b>Class I</b>
<b>Reference currency</b>	USD	USD	USD	USD
<b>Minimum initial investment and minimum holding</b>	USD 1,000.00	USD 100,000.00	USD 1,000.00	USD 1,000,000.00
<b>Minimum subsequent investment</b>	USD 100.00	USD 10,000.00	USD 100.00	USD 10,000.00
<b>Distribution policy</b>	Accumulating shares	Accumulating shares	Accumulating shares	Accumulating shares

Class EA shares are reserved to the Investment Manager and its clients.

Class I shares are available to Institutional Investors.

## 8. Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per share.

<b>Class of Shares</b>	<b>Class A</b>	<b>Class B</b>	<b>Class EA</b>	<b>Class I</b>
<b>Management Fee</b>	Up to 2.5%	Up to 1.5%	0.10%	Up to 1.0%
<b>Initial charge</b>	Up to 5.0%	0%	0%	0%
<b>Sales charge</b>	0%	0%	0%	0%
<b>Distribution Fee</b>	0%	0%	0%	0%
<b>Redemption charge</b>	0%	0%	0%	0%
<b>Conversion charge</b>	0%	0%	0%	0%

## **9. Frequency of the Net Asset Value calculation and Valuation Day**

The Net Asset Value per share will be determined on each Business Day and (ii) any other day as the Board of Directors may determine on a case-by-case basis or generally from time to time (the "Valuation Day").

## **10. Subscription**

Each Valuation Day will be a Subscription Day.

### *a) Subscriptions during the Initial Offer Period*

During the Initial Offer Period, subscriptions of shares in the Sub-Fund will be accepted at an initial subscription price of USD 100 per Share (the "Initial Offering Price").

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the last day of the Initial Offer Period. The subscription money must be received on the account of the Sub-Fund at the latest 3 Business Days after the last day of the Initial Offer Period.

### *b) Subscriptions after the Initial Offer Period*

Shares will be issued at the Net asset Value per share determined as at the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the Business Day preceding the Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 3 Business Days after the relevant Valuation Day.

## **11. Redemption**

Each Valuation Day will be a Redemption Day.

Shares will be redeemed at the Net Asset Value per Share determined as at the relevant Valuation Day.



Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the Business Day preceding the Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for redeemed Shares has to be made no later than 3 Business Days after the relevant Valuation Day.

## **12. Conversions**

Investors may request conversions of their shares from one Class to another.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the Business Day preceding the Valuation Day. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

## **13. Historical Performance**

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Investor Information Document.

## **B. FIXED INCOME FUNDS**

Subject to the limits set forth in the investment restrictions, the Company may with respect to each Sub-Fund invest in financial derivative instruments and use techniques and instruments for the purpose of efficient portfolio management.

### **2. EUROAMERICA AM SICAV – LATAM HIGH YIELD BOND FUND**

#### **1. Name of the Sub-Fund**

Latam High Yield Bond Fund (the "**Sub-Fund**").

#### **2. Base Currency**

USD

#### **3. Investment objective, policy and strategy**

The Sub-Fund seeks a high level of current income and capital appreciation by investing primarily in high-yielding, sub-investment grade securities of companies which generate a significant part of their income in or from Latin America and/or which have their registered office in Latin America (the "Latin American Companies").

The Sub-Fund invests at least 70% of the assets in fixed-rate or floating-rate securities issued by Latin American Companies. These securities will have a credit rating under BB+ (inclusive).

Up to a maximum of one third of the assets of the Sub-Fund may be invested in convertible and warrant bonds, in fixed-interest or floating-rate securities and money market instruments, issued by companies from other recognised countries and on-sight deposits or deposits repayable on demand.

The investments will be denominated in USD.

The Investment Manager may, at its discretion, use financial derivative instruments or invest in Exchange Traded Funds to manage the exposure of the Sub-Fund's assets to interest rates risk.

#### **4. Investment Manager / Adviser**

The Management Company has delegated the investment management of the Sub-Fund to Euroamerica Administradora General de Fondos S.A., a company incorporated in Chile on February, the 7<sup>th</sup>, 2002 and having its registered office at Av. Apoquindo 3885 p20, Santiago, Chile.

The Investment Manager will manage the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objectives and investment and borrowing restrictions of the Company and the Sub-Fund under the overall responsibility of the Board of Directors.

EuroAmerica Administradora General de Fondos S.A. is based in Santiago, Chile and is part of EuroAmerica S.A., a non-banking financial holding group that started operation in 1900 as an insurance company. Currently, the company offers investment management services to retail and institutional clients in Chile and internationally.

It manages third party assets under the Law N° 20.712 and other complimentary activities as authorized by the Chilean Superintendency of Securities and Insurance.

**5. Profile of the typical investor**

The Sub-Fund may suit investors seeking for a greater capital growth than cash holdings or just through government bonds or a combination of capital growth and income, while keeping the risk associated with their investments to a medium level. As the Sub-Fund invests in high-yielding sub-investment grade securities, it is most suited for investors willing to accept higher risks in order to potentially generate higher futures returns.

Because of the higher volatility of sub-investment grade securities, the Sub-Fund is appropriate for investors with a time investment horizon exceeding 5 years.

IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.

**6 Global Exposure**

The global exposure relating to this Sub-Fund will be calculated using commitment approach.

**7. Classes of shares available for subscription**

Class of Shares	Class A		Class B		Class EA	Class I	
	A	A-GBP	B	B-GBP		I	I-GBP
<b>Reference currency</b>	USD	GBP	USD	GBP	USD	USD	GBP
<b>Minimum initial investment and minimum holding</b>	USD 1,000.00		USD 100,000.00		USD 1,000.00	USD 1,000,000.00	
<b>Minimum subsequent investment</b>	USD 100.00		USD 10,000.00		USD 100.00	USD 10,000.00	
<b>Distribution policy</b>	Accumulating shares		Accumulating shares		Accumulating shares	Accumulating shares	

Classes denominated in GBP are reserved to investors residing in the United Kingdom.

For the Classes denominated in GBP, there is no intention to hedge the value of their net assets in the base currency of the Sub-Fund into GBP.

Class EA shares are reserved to the Investment Manager and its clients.

## 8. Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per share.

Class of Shares	Class A		Class B		Class EA	Class I	
	A	A-GBP	B	B-GBP		I	I-GBP
<b>Management Fee</b>	Up to 2.5%	Up to 1.5%	Up to 1.5%	Up to 1.2%	0.10%	Up to 1.0%	Up to 0.7%
<b>Initial charge</b>	Up to 5.0%	0%	0%	0%	0%	0%	0%
<b>Sales charge</b>	0%	0%	0%	0%	0%	0%	0%
<b>Distribution Fee</b>	0%	0%	0%	0%	0%	0%	0%
<b>Redemption charge</b>	0%	0%	0%	0%	0%	0%	0%
<b>Conversion charge</b>	0%	0%	0%	0%	0%	0%	0%

## 9. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per share will be determined on each Business Day and (ii) any other day as the Board of Directors may determine on a case-by-case basis or generally from time to time (the "Valuation Day").

## 10. Subscription

Each Valuation Day will be a Subscription Day.

### *a) Subscriptions during the Initial Offer Period*

During the Initial Offer Period, subscriptions of shares in the Sub-Fund will be accepted at an initial subscription price of USD 100 per Share (the "Initial Offering Price").

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the last day of the Initial Offer Period. The subscription moneys must be received on the account of the Sub-Fund at the latest 3 Business Days after the last day of the Initial Offer Period.

*b) Subscriptions after the Initial Offer Period*

Shares will be issued at the Net asset Value per share determined as at the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the Business Day preceding the Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 3 Business Days after the relevant Valuation Day.

**11. Redemption**

Each Valuation Day will be a Redemption Day.

Shares will be redeemed at the Net Asset Value per Share determined as at the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the Business Day preceding the Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for redeemed Shares has to be made no later than 3 Business Days after the relevant Valuation Day.

**12. Conversions**

Investors may request conversions of their shares from one Class to another.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the Business Day preceding the Valuation Day. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

**13. Historical Performance**

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Investor Information Document.

## APPENDICES

### Appendix 1 General Investment Restrictions

Each Sub-Fund of the Company or where a UCITS comprises more than one compartment, each such Sub-Fund or compartment shall be regarded as a separate UCITS for the purposes of this Appendix. The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each Sub-Fund and the currency of denomination of a Sub-Fund subject to the following restrictions:

- I. (1) The Company may invest in:
- a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
  - b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State of the European Union which is regulated, operates regularly and open to the public;
  - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union located in Europe, Asia, Oceania (including Australia), the American continents and Africa or dealt in on another market in a non-Member State of the European Union located in Europe, Asia, Oceania (including Australia), the American continents and Africa which is regulated, operates regularly and is recognised and open to the public;
  - d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within a year of the issue.
  - e) units of UCITS and/or Other UCI, whether situated in an EU Member State or not, provided that:
    - such Other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
    - 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 Directive 2009/65/EC, as amended;
    - the business of such Other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- 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.
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (1) (a), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund(s) may invest according to its/their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

and/or

- h) Money Market Instruments other than those dealt in on a Regulated Market and defined in the Glossary, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets;
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an

establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law; or

- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth 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.

(2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

II. The Company may hold ancillary liquid assets.

III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same issuing body.

(ii) The Company may not invest more than 20% of the total net assets of such Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) f) above or 5% of its net assets in other cases.

b) Moreover where the Company holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph III. a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for each Sub-Fund:

- investments in Transferable Securities or Money Market Instruments issued by that body,
- deposits made with that body, or



- exposures arising from OTC derivative transactions undertaken with that body
- c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net asset value of the Sub-Fund.
- e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III.d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

- f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by another member state of the OECD, Singapore or any member state of the G20 or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such Sub-Fund.**

- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on 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.
- V. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

The Company may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

- VI. a) The Company may acquire units of the UCITS and/or Other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of other UCITS or Other UCI, unless otherwise provided in the relevant section of the "Sub-Fund Particulars" in relation to a given Sub-Fund.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the

principle of segregation of the obligations of the various compartments *vis-à-vis* third parties is ensured.

- b) The underlying investments held by the UCITS or Other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Company invests in the units of other UCITS and/or Other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or Other UCIs.

In respect of a Sub-Fund's investments in UCITS and Other UCIs linked to the Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund itself and the other UCITS and/or Other UCIs concerned shall not exceed 1.5% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and Other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Company may acquire no more than 25% of the units of the same UCITS and/or Other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or Other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all compartments combined.

- VII. In compliance with the applicable laws and regulations any Sub-Fund of the Company (hereinafter referred to as a "Feeder Sub-Fund") may be authorised to invest at least 85% of its assets in the units of another UCITS or portfolio thereof (the "Master UCITS"). A Feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:
- ancillary liquid assets in accordance with II;
  - financial derivative instruments, which may be used only for hedging purposes;
  - movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the 2010 Law, the Feeder Sub-Fund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of the first sub-paragraph with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder Sub-Fund investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder Sub-Fund investment into the Master UCITS.

A Sub-Fund of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and

regulations, be launched or converted into a Master UCITS in the meaning of Article 77(3) of the 2010 Law.

VIII. A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund of the Company (each a "Target Sub-Fund") without the Company being, subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own shares; under the condition however that:

- the Investing Sub-Fund may not invest more than 10% of its net asset value in a single Target Sub-Fund; and
- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund (s); and
- the investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) net asset value in UCITS and UCIs; and
- voting rights, if any, attaching to the shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing 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 Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

IX. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net assets of the relevant Sub-Fund.

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. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restriction III. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III. The rebalancing frequency of the underlying index of such financial derivative instruments is determined by the index provider and there is no cost to the Fund when the index itself rebalances.

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

- X.
- a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible;
  - b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) c), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.

- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.
- e) The Company may not acquire either precious metals or certificates representing them.

XI. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the shares are marketed.

During the first six months following its launch, a new Sub-Fund may derogate from restrictions III., IV. and VI. a), b) and c) while ensuring observance of the principle of risk spreading.

#### **Appendix 2 Use of techniques and instruments relating to transferable securities and money market instruments**

Financial techniques and instruments (such as securities lending, sale with right of repurchase transactions as well as repurchase and reverse repurchase agreements) may be used by any Sub-Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the maximum extent allowed by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 2008, (ii) CSSF Circulars 08/356 and 13/559 and (iii) any other applicable laws, regulations, circulars or CSSF positions.

For the time being, it is not the intention of the Investment Manager to enter into repurchase and reverse repurchase agreements.

Any revenues from securities lending will be returned to the relevant Sub-Fund minus direct and indirect operational costs. Euroamerica Administradora General de Fondos S.A., being the lending agent, will not receive any fees in its capacity as lending agent. The lending agent is not a related party to the Management Company or the Depositary.

### **Appendix 3 Management of collateral in respect of techniques and instruments relating to transferable securities and money market instruments and OTC financial derivative transactions**

Assets received from counterparties in efficient portfolio management transactions, if any, and OTC financial derivative transactions constitute collateral.

Collateral received will be at least 100% of the value of the transaction.

Collateral is received in the form of cash, government or supranational debt securities, corporate debt securities, equity securities, units or shares of money market funds and UCITS.

Assets	Haircut
Cash	0%
Government or supranational debt securities	0% - 50%
Corporate debt securities	50%
Equity securities	10% - 50%
Money Market Funds	10% - 20%
UCITS	10% - 50%

Non-cash collateral received is not sold, reinvested or pledged.

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund in (a) deposits with credit institutions having their registered office in a Member State or if the registered office of the credit institutions is situated in a non-Member State with credit institutions subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law, (b) high-quality government bonds, and (c) short term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds. Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's global exposure, in particular if it creates a leverage effect.

The reinvestment of cash collateral may create leverage with corresponding risks and risk of losses and volatility, introduce market exposure inconsistent with the objectives of the relevant Sub-Fund, or yield a sum less than the amount of collateral to be returned.