

## **ANNOX SICAV-RAIF**

*Société d'investissement à capital variable (SICAV) –  
Fonds d'investissement alternatifs réservés (FIAR)*

An open-ended reserved alternative investment fund in the form of an investment company with variable capital (SICAV)

subject to the Luxembourg law of 23 July 2016 on reserved alternative investment funds, as amended

### **Offering Document**

8 December 2017

**This Fund, qualifying as a reserved alternative investment fund, is an unregulated investment vehicle, which is not subject to the prudential supervision of the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector (CSSF), or any other Luxembourg supervisory authority, although it qualifies as an alternative investment fund within the meaning of the Luxembourg law of 12 July 2013 on alternative investment fund managers. Consequently, this Offering Document will not be submitted to the CSSF or any other Luxembourg supervisory authority for formal approval of this Fund.**

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## 1. INTRODUCTION

This Offering Document contains information about **ANNOX SICAV-RAIF** (the “Fund”) that a prospective investor should consider before investing in the Fund and should be retained for future reference.

The Fund is a public limited company (*société anonyme*) incorporated under the laws of Luxembourg as an investment company with variable share capital – reserved alternative investment fund (*société d’investissement à capital variable –fonds d’investissement alternatifs réservés*) and qualifies as an alternative investment fund (AIF) within the meaning of the AIFMD (as defined below). The Fund is managed by GAM (LUXEMBOURG) S.A., an external alternative investment fund manager (the “AIFM”) within the meaning of the amended law of 12 July 2013 on alternative investment fund managers. The Fund is subject to the Luxembourg law of 23 July 2016 on reserved alternative investment funds, as amended or supplemented from time to time (the “2016 Law”).

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Subfunds. Shares in the Fund are shares in a specific Subfund. The Fund may issue Shares of different Share Classes in each Subfund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors. Investors should refer to the Supplement for further information on characteristics of Share Classes.

The Fund is registered with the Luxembourg Trade and Companies Register under number B-218.614. The latest version of the Articles of Association was published in the *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg on 19 October 2017.

The Offering Document is based on information, law and practice at the date hereof. The Fund cannot be bound by an out of date offering document when it has issued a new offering document, and investors should check with the AIFM that this is the most recently published offering document. Neither delivery of the Offering Document nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof.

The information contained in this Offering Document is supplemented by the financial statements and further information contained in the latest Annual Report of the Fund, copies of which may be requested free of charge from the AIFM.

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Offering Document and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

The distribution of the Offering Document and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. The Offering Document does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of any

persons wishing to make an application for Shares pursuant to this Offering Document to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons.

The distribution of this Offering Document in some jurisdictions may require the translation of this Offering Document into the languages specified by the regulatory authorities of those jurisdictions. In case of inconsistency between the translated and the English version of this Offering Document, the English version shall prevail.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

The Shares are reserved to Eligible Investors, as further described in section 7.3 (Eligible Investors) of this Offering Document. Eligible Investors include well-informed investors (*investisseurs avertis*) within the meaning of article 2 (1) of the 2016 Law. For further details please refer to the definitions “Eligible Investors” and “Well-Informed Investor” set out in section 3 Definitions) as well as to section 7.3 (Eligible Investors) of this Offering Document.

**THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.**

## 2. DIRECTORY

### Registered office of the Fund

25 Grand-Rue  
L-1661 Luxembourg

### Board of Directors

Lars Axeltoft Trégart (Chairman)  
Chairman & Co-founder of Annox A/S  
Svanemøllevej 41  
DK-2900 Hellerup

Thomas T. Bjerring  
CIO & Co-founder of Annox A/S  
Svanemøllevej 41  
DK-2900 Hellerup

Markus Gierke  
Independent Director  
74, Route de Luxembourg  
L-6633 Wasserbillig

### AIFM

GAM (Luxembourg) S.A.  
25, Grand-Rue  
L- 1661 Luxembourg

### Board of Directors of the AIFM

Martin Jufer (Chairman)  
Member of the Group Management Board,  
GAM Group, Zurich

Andrew Hanges  
Region Head (UK)  
GAM (U.K.) Limited, London

Yvon Lauret  
Independent Director  
58, rue Glesener  
L-1630 Luxembourg

Billy Norris  
Head of Operations  
GAM (U.K.) Limited, London

Elmar Zumbühl  
Member of the Group Management Board,  
GAM Group, Zurich

### Depositary, Central Administration and Principal Paying Agent, Registrar and Transfer Agent (“Administrator”)

State Street Bank Luxembourg S.C.A  
49, Avenue J.F. Kennedy  
L - 1855 Luxembourg

### Investment Manager

Annox A/S  
Svanemøllevej 41  
DK-2900 Hellerup

### Auditor

PricewaterhouseCoopers, Société  
Coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg

### Legal adviser as to matters of Luxembourg law

Arendt & Medernach SA  
41A, avenue J. F. Kennedy  
L-2082 Luxembourg

### 3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
1993 Law	the Luxembourg law of 5 April 1993 on the financial sector, as may be amended from time to time.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
2013 Law	the Luxembourg law of 12 July 2013 on alternative investment fund managers, as may be amended from time to time.
2016 Law	the Luxembourg law of 23 July 2016 on reserved alternative investment funds, as may be amended from time to time.
Accumulation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
Administration Agreement	the agreement entered into between the Fund, the AIFM and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration and principal paying agent and, registrar and transfer agent appointed by the AIFM and the Fund in accordance with the provisions of the 2016 Law and the Administration Agreement, as identified in the Directory.
AIF	an alternative investment fund within the meaning of the 2013 Law and the AIFMD.

AIFM	the alternative investment fund manager of the Fund within the meaning of the 2013 Law and the AIFMD, being GAM (Luxembourg) S.A. or any successor alternative investment fund manager appointed by the Fund.
AIFM Agreement	the Alternative Investment Fund Management Agreement, i.e., agreement entered into between the Fund and the AIFM governing the appointment of the AIFM, as may be amended or supplemented from time to time.
AIFM Laws and Regulations	the 2013 Law, the AIFMD Level 2 Regulation, any further delegated regulations issued by the European Commission in connection with the AIFMD and any further Luxembourg transposing legislation in connection with the AIFMD and related delegated acts, as well as any applicable direction, policy, circular, guideline, rule or order (whether formal or informal) that is made or given by the CSSF or ESMA in connection herewith, as may be amended from time to time.
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as may be amended from time to time.
AIFMD Level 2 Regulation	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as may be amended from time to time.
Annual Report	the report issued by the Fund as of the end of each financial year in accordance with the 2016 Law.



Articles of Association	the articles of association of the Fund, as may be amended from time to time.
Brussels I (Recast)	Regulation (EU) No 1215/2015 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).
Board of Directors	the board of directors of the Fund.
Business Day	any day on which banks are open the whole day for non-automated business in Luxembourg and in such other countries or cities as may be specified for a Subfund or Share Class in a Supplement.
Code of Conduct	the code of conduct adopted by the Board of Directors on the basis of the corporate governance principles issued by the Association of the Luxembourg Fund Industry, as may be amended or supplemented from time to time.
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.
Conversion Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares.
CRS	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the Luxembourg law on the Common Reporting Standard.

CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector, or its successor authority.
Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Subfund in the Supplement.
Depository	the depository appointed by the Fund in accordance with the provisions of the 2016 Law, the 2013 Law, and the Depository Agreement, as identified in the Directory.
Depository Agreement	the agreement entered into between the Fund and the Depository governing the appointment of the Depository, as may be amended or supplemented from time to time.
Directive 2004/39/EC, or MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as may be amended from time to time.
Directive 2006/48/EC	Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast), as may be amended from time to time.
Directive 2009/65/EC, or the UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as may be amended from time to time.

Directive (EU) 2015/849	Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, financing as may be amended from time to time.
Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Eligible Investor	an investor who (i) is a Well-Informed Investor and (ii) satisfies all additional eligibility requirements for a specific Subfund or Share Class, as specified for the Subfund or Share Class in the Supplement or in the general part of the Offering Document.
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).
Fund	The ANNOX SICAV-RAIF.
Initial Offer	the first day or period on or during which Shares of a Share Class will be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer.

Institutional Investor	an institutional investor as defined for the purposes of the 2016 Law and by the administrative practice of the CSSF.
Investment Management Agreement	the agreement entered into between the Fund, the AIFM and the Investment Manager governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
Investment Manager	the investment manager appointed by the AIFM with the consent of the Fund in accordance with the provisions of the 2016 Law and the Investment Management Agreement, as identified in the Directory.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Management Fee	the fee payable by the Fund to the AIFM under the AIFM Agreement, as described in section 9.2 (Management Fee) of this Offering Document.
Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
Net Asset Value	as the context indicates, the net asset value of the Fund, a Subfund, or a Share Class determined in accordance with the provisions of this Offering Document.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Subfund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.

New Shares	Shares described in section 7.6 (Conversion of Shares) of this Offering Document.
Non-Member States	any State, other than a Member State, in Europe, America, Africa, Asia or Oceania.
OECD	the Organisation for Economic Cooperation and Development.
Offering Document	this offering document including all Supplements, as may be amended from time to time.
Original Shares	Shares described in section 7.6 (Conversion of Shares) of this Offering Document.
Performance Fee	the fee which may be payable to the Investment Manager depending on the performance of certain Subfunds or Share Classes, where applicable, as described in section 9.3 (Performance Fee) of this Offering Document.
Principal Paying Agent	the principal paying agent appointed by the Fund and the AIFM, as identified in the Directory.
Professional Investor	an investor who is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II to MiFID.
Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 7.10 (Prohibited Persons) of this Offering Document.
RAIF	a reserved alternative investment fund subject to the 2016 Law.

Redemption Day	a Business Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Redemption Day. Redemption Days are specified for each Subfund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction for further details.
Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Subfund or Share Class in the Supplement, where applicable.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Subfund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Offering Document.
Redemption Settlement Period	the period of time, as specified for each Subfund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the provisions of this Offering Document.

Reference Currency	as the context indicates, (i) in relation to the Fund, the Euro, or (ii) in relation to a Subfund, the currency in which the assets and liabilities of the Subfund are valued and reported, as specified in each Supplement, or (iii) in relation to a Share Class, the currency in which the Shares of that Share Class are denominated, as specified in each Supplement.
Share Class	a class of Shares of a Subfund created by the Board of Directors, as described in section 7.1 (Shares, Subfunds and Share Classes) of this Offering Document. For the purposes of this Offering Document, each Subfund shall be deemed to comprise at least one Share Class.
Shares	shares of a Subfund or Share Class issued by the Fund.
Subfund	a Subfund of the Fund, as described in section 7.1 (Shares, Subfunds and Share Classes) of this Offering Document.
Subscription Day	a Business Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Subscription Day. Subscription Days are specified for each Subfund or Share Class in the Supplement. Certain jurisdictions do not permit subscriptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction for further details.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Subfund or Share Class in the Supplement, where applicable.

Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares.
Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Subfund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Offering Document.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Subfund or Share Class in the Supplement.
Supplement	the supplement(s) to this Offering Document for each specific Subfund, which form part of this Offering Document.
Target Subfund	a subfund into which another Subfund will or might invest in accordance with the provisions of this Offering Document.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
UCI	undertaking for collective investment.



US Person

any person who:

(i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;

(ii) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));

(iii) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));

(iv) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or

(v) any trust, entity or other structure formed for the purpose of allowing US Persons to invest in the Fund,

unless otherwise defined in this Offering Document with reference to specific rules or regulations.

Valuation Day

a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.

Well-Informed Investor

a well-informed investor as defined in article 2(1) of the 2016 Law, as described in section 7.3 (Eligible Investors) below.

## 4. INVESTMENT STRATEGY AND RESTRICTIONS

### 4.1 Investment strategy

The Board of Directors has determined the investment objective and investment policy of each of the Subfunds as described in the Supplements to this Offering Document. The Board of Directors may impose further investment restrictions or guidelines in respect of any Subfund from time to time. There can be no assurance that the investment objective of any Subfund will be attained.

Pursuit of the investment objective and investment policy of any Subfund must be in compliance with the limits and restrictions set out in section 4.2 (Investment restrictions) below and the section “Investment policy and specific restrictions” in the Supplement. In case of discrepancies, the rules and limits of the Supplement shall prevail.

### 4.2 Investment restrictions

- a) A Subfund shall not invest more than 30% of its net assets (or subscription commitments, if any) in securities of the same type issued by the same issuer.

However, this restriction does not apply to:

- investments in securities issued or guaranteed by an OECD Member State or its regional or local authorities or by EU, regional or global supranational institutions and bodies, and
- investments in target UCIs that are subject to risk-spreading requirements at least comparable to those applicable to reserved alternative investment funds (RAIFs).

For the purpose of the application of this restriction, every subfund of a target umbrella UCI is to be considered as a separate issuer provided that the principle of segregation of liabilities among the various subfunds vis-à-vis third parties is ensured.

- b) Short sales may not, in principle, result in any Subfund holding a short position in securities of the same type issued by the same issuer representing more than 30% of its assets.
- c) When using financial derivative instruments, a Subfund must ensure, via appropriate diversification of the underlying assets, a similar level of risk-spreading. Similarly, the counterparty risk in an over-the-counter (OTC) transaction must, where applicable, be limited having regard to the quality and qualification of the counterparty.

The restrictions set out above are only applicable after a ramp-up period of twelve (12) months following the launch date of a Subfund, unless set out otherwise in the Supplement.

- d) Each Subfund may subscribe, acquire, and/or hold securities to be issued or issued by another Subfund of the Fund (the “**Target Subfund**”) provided that:
- the Target Subfund does not, in turn, invest in the Subfund invested in this Target Subfund;

- voting rights, if any, attached to the relevant Shares are suspended for as long as they are held by the Subfund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2016 Law.

### **4.3 Borrowing policy**

If foreseen in the respective Supplement, each Subfund may borrow within the limits further described in such Supplement. Unless otherwise stated in the Supplement, borrowings may be utilised for investment purposes as well as bridge financing and to fund expense disbursements when liquid funds are not readily available. The assets of a Subfund may be charged as security for any such borrowings.

### **4.4 Financial derivative instruments**

Each Subfund may invest in financial derivative instruments either for hedging purposes, in particular for the purpose of hedging risks connected to the evolution of stock markets or for the purpose of hedging interest rates, or for a purpose other than hedging, as further described for each Subfund in the Supplement.

The financial derivative instruments can include, in particular, options, forward, and futures contracts on financial instruments and options thereon as well as over-the-counter (“**OTC**”) swap transactions on all types of financial instruments. The financial derivative instruments have to be dealt on an organised market or OTC with first rate professionals which specialise in these types of transactions.

The counterparties to financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction. The counterparty must (i) be a credit institution from an OECD member state subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law, (ii) be of good reputation and have a minimum rating of BBB and (iii) be approved by the Board of Directors. The identity of the counterparties will be disclosed in the Annual Report.

The AIFM uses a process for accurate and independent assessment of the value of financial derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Subfund to the risk of default of the counterparty under financial derivatives, the Subfund may receive cash or other assets as collateral.

Each Subfund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Subfund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the AIFM, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement.

#### **4.5 Securities lending**

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in its Supplement, a Subfund may enter into securities lending transactions as lender of securities or instruments. The securities will be safe-kept with the Depositary. Securities lending transactions are, in particular, subject to the following conditions:

- (A) the counterparty must be a credit institution from an OECD member state subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law, be of good reputation and have a minimum rating of BBB and be approved by the Board of Directors; and
- (B) a Subfund may only lend securities or instruments to a borrower either directly, through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction; and
- (C) a Subfund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities or instruments lent or to terminate the agreement.

#### **4.6 Repurchase agreements and buy-sell back transactions**

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

Where specified in its Supplement, a Subfund may enter into repurchase agreements and/or buy-sell back transactions as buyer or seller of securities or instruments. Such transactions are, in particular, subject to the following conditions:

- (A) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and be approved by the Board of Directors; and

- (B) the Subfund must be able, at any time, to terminate the agreement or recall the full amount of cash in a reverse repurchase agreement or buy-sell back transaction (on either an accrued basis or a mark-to-market basis) or any securities or instruments subject to a repurchase agreement or sell-buy back transaction. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow cash or assets to be recalled at any time.

#### **4.7 Collateral policy**

This section sets out the policy adopted by the AIFM for the management of collateral received for the benefit of each Subfund in the context of financial derivatives instruments (or securities lending transactions, repurchase agreements, and buy-sell back transactions).

##### **4.7.1 Eligible collateral**

Collateral received for the benefit of a Subfund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. In particular, collateral received for the benefit of a Subfund should comply with the following conditions:

- (A) collateral other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (B) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (C) collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (D) collateral should be sufficiently diversified in terms of countries, markets and issuers;
- (E) collateral should be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral;
- (F) collateral should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

##### **4.7.2 Level of collateral**

The level of collateral required for financial derivatives transactions will be determined as per the agreements in place with the individual counterparties, taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Offering Document.

##### **4.7.3 Haircut policy**

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the AIFM. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the

maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

#### **4.7.4 Stress tests**

Where a Subfund receives collateral for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation, (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

#### **4.7.5 Reinvestment of collateral**

Non-cash collateral received for the benefit of a Subfund may not be sold, re-invested or pledged. Cash collateral received for the benefit of a Subfund can only be:

- (A) placed on deposit with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (B) invested in high-quality government bonds;
- (C) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or
- (D) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for the Subfund, as described in section 5 (General Risk Factors) below.

#### **4.7.6 Centrally cleared OTC derivatives**

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Generally, centrally-cleared OTC derivatives may be cleared under the agency model or the principal-to-principal model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central counterparty, whereas under the agency model there is one transaction between the Fund and the central counterparty. For these trades, the Fund will post and/or receive collateral for the benefit of a Subfund in the form of margin payments, as agreed with the clearing broker in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Fund will ensure that variation margin receivable from the clearing broker is consistent with its collateral policy. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely, as described in section 5.5.1 (OTC financial derivative instruments) below.

## **5. GENERAL RISK FACTORS**

The performance of the Shares in each Subfund depends on the performance of the investments of the Subfunds, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. Unless otherwise specified in a Supplement, the Shares do not include any element of capital protection and neither the Fund nor the AIFM nor the Investment Managers give any assurance or guarantee to any investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Fund, the AIFM and the Investment Managers, investment objectives may become more difficult or even impossible to achieve. The Fund, the AIFM and the Investment Managers give no assurance or guarantee to any investors as to as to the likelihood of achieving the investment objective of any Subfund.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient economic resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

Investors should also carefully consider all of the information set out in this Offering Document and the Supplements regarding the Subfunds before making an investment decision with respect to Shares of any Subfund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in a UCI. Other risks may be described in the Supplements. This section and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Subfund or Share Class, and other risks may also be or become relevant from time to time.

### **5.1 Market risk**

Market risk is understood as the risk of loss for a Subfund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Subfund will be diversified with a view to reducing market risk, the investments of a Subfund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

#### **5.1.1 Economic risk**

The value of investments held by a Subfund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular, industry, area or sector, such as changes in production

costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Subfund will benefit from the advance.

### **5.1.2 Interest rate risk**

The performance of a Subfund may be influenced by changes in the general level of interest rates. Generally, the value of fixed income instruments will change inversely with changes in interest rates: when interest rates rise, the value of fixed income instruments generally can be expected to fall and vice versa. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. In accordance with its investment objective and policy, a Subfund may attempt to hedge or reduce interest rate risk, generally through the use of interest rate futures or other derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

### **5.1.3 Foreign exchange risk**

Each Subfund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Subfund are valued in its Reference Currency, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Subfund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of a Subfund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Subfund. This exposure is, in addition to foreign exchange risk, if any, incurred by the Subfunds with respect to investments denominated in other currencies than its Reference Currency, as described above.

### **5.1.4 Credit risk**

Subfunds investing in fixed income instruments will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

### **5.1.5 Commodities risk**

Where specified in the Supplements, certain Subfunds may invest in instruments providing exposure to the commodities market, including financial derivative instruments referencing commodities indices and financial instruments or funds linked to, or backed by the performance of, commodities. Investments in derivatives related to commodities can be



highly volatile. The price of commodities derivatives may fluctuate rapidly and based on numerous factors, including changes in supply and demand (whether actual or perceived, anticipated or unanticipated) and other trading considerations, generally or in the relevant commodity, domestic and international political, monetary and economic events and policies, and other public or private policies, actions or inactions, natural events such as weather conditions, agricultural factors, diseases, or technological developments. The current or “spot” prices of commodities may also affect the prices of futures contracts in respect of the relevant commodity.

#### **5.1.6 Volatility**

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Subfund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

#### **5.1.7 Short positions**

Certain Subfunds may use financial derivative instruments such as swaps, futures and forwards in order to obtain a short exposure to certain securities or other assets. A synthetic short position replicates the economic effect of a transaction in which a fund sells a security or asset it does not own but has borrowed, in anticipation that the market price of that security or asset will decline. When a Subfund initiates such a synthetic short position in a security or asset that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. If the price of the security or asset on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Subfund will incur a loss; conversely, if the price declines, the Subfund will realise a gain. Any gain will be decreased and any loss increased by transactional costs and fees. Although a Subfund's gain is limited to the price at which it opened the synthetic short position, its potential loss may be substantially higher. Stop loss policies are typically employed to limit losses. Each Subfund is required to maintain sufficiently liquid assets to cover any obligations arising from its short positions at any time.

### **5.2 Liquidity risk**

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Subfund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Subfund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Subfund may invest in financial instruments traded over-the-counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Subfund and/or compromise the ability of the Subfund to meet a redemption request.

### **5.3 Counterparty risk**

Counterparty risk refers to the risk of loss for a Subfund resulting from the fact that the counterparty to a transaction entered into by the Subfund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Subfund. This risk may arise at any time the assets of a Subfund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Subfund has deposited cash with a financial institution, or invests into debt securities and other fixed income instruments. Counterparty risk may also arise when a Subfund enters into OTC financial derivative instruments, or enters into securities lending transactions, repurchase agreements, and buy-sell back transactions as further described below.

### **5.4 Operational risk**

Operational risk means the risk of loss for the Fund resulting from inadequate internal processes and failures in relation to people and systems of the Fund, the AIFM and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Fund.

#### **5.4.1 Valuation**

Certain Subfunds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or liquidation prices of investments.

#### **5.4.2 Laws and regulations**

The Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Subfunds and their operations.

#### **5.4.3 FATCA Risks**

The Fund may be subject to regulations imposed by foreign regulators, in particular, the United States laws and regulations known as FATCA. FATCA provisions generally impose a reporting obligation to the US Internal Revenue Services of non-US financial institutions that do not comply with FATCA and US persons' (within the meaning of FATCA) direct and indirect ownership of non-US accounts and non-US entities. Failure to provide the requested information will result in a 30% withholding tax applying to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends. The Fund will be treated as a

Foreign Financial Institution within the meaning of FATCA. As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Notwithstanding any other provision of this Offering Document, to the extent permitted by Luxembourg law, the Fund shall have the right to: (i) withhold on any payment to investors an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the Fund, (ii) require any investor or beneficial owner of Shares to promptly provide such personal data as may be required by the Fund in its discretion in order to comply with applicable laws and regulations and/or determine the amount to be withheld; (iii) divulge any such personal data to any tax authority, as may be required by applicable laws and regulations or requested by such authority; (iv) delay payments to any investor, including any dividend or redemption proceeds, until the Fund holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

For further information on FATCA, see section 11.3.

#### **5.4.4 Common Reporting Standard Risks**

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its Common Reporting Standard (“CRS”) as set out in the Luxembourg law on the Common Reporting Standard (the “CRS Law”).

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the “CRS Information”).

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Fund will process such CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Fund.

For the purposes of this section, “Controlling Person” means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the Fund within thirty

(30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to immediately inform the Fund of and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any investor that fails to comply with the Fund's CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the CRS Information by the Fund to the Luxembourg tax authorities.

For further information on the Common Reporting Standard, see section 11.2.

#### **5.4.5 Segregation of Subfunds**

The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Subfunds. Under Luxembourg law, each Subfund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Subfund will be limited to the assets allocated to that Subfund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Subfund in satisfaction of an obligation owed in relation to another Subfund in a jurisdiction which would not recognise the principle of segregation of liability between Subfunds.

Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Subfund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Subfund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

#### **5.4.6 Target Fund Risk**

When the Fund invests in another UCI ("Target Fund"), in addition to directly bearing the expenses associated with its own operations, it will bear a pro-rata portion of the Target Fund's expenses. Further, while the risks of owning the units or shares of a Target Fund generally reflect the risks of owning the underlying investments of the Target Fund, the Fund may be subject to additional or different risks than if the Fund had invested directly in the underlying investments. For example, the lack of liquidity in a Target Fund could result in its value being more volatile than that of the underlying portfolio securities.

#### **5.4.7 Investment Style**

Investment style risk reflects the possibility that a Subfund's investment in certain securities in a particular market segment pursuant to its particular investment strategy may underperform other market segments or the market as a whole.

#### **5.4.8 Leverage Risk**

A Subfund's use of derivatives and leverage may result in the Subfund's total investment exposure substantially exceeding the value of its portfolio securities and the Subfund's investment returns depending substantially on the performance of securities that the Fund may not directly own. The use of leverage can amplify the effects of market volatility on the Subfund's Share price and may also cause the Subfund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. The Fund's use of leverage may result in a heightened risk of investment loss.

#### **5.4.9 Short Sales Risk**

A Subfund may undertake short sales of securities, which involves selling a security it does not own, in anticipation that the price of the security will decline. Short sales may involve substantial risk and leverage. Short sales expose the Subfund to the risk that it will be required to buy (“cover”) the security sold short when the security has appreciated in value or is unavailable, thus resulting in a loss to the Subfund. Short sales also involve the risk that losses may exceed the amount invested and may be unlimited.

#### **5.4.10 Equity Investing Risk**

The values of equity securities could decline generally or could underperform other investments due to factors affecting a specific issuer, market or securities markets generally.

#### **5.4.11 Risks of Small- and Mid-Cap Companies**

While small- and mid-cap companies might offer greater opportunities for gain than larger companies, they also pose greater risk of loss. They may be more sensitive to changes in a company’s earnings expectations and may experience more abrupt and erratic price movements. Small- and mid-cap companies may not have established markets for their products or services and may have fewer customers and product lines. They may have more limited access to financial resources and may not have the financial strength to sustain them through business downturns or adverse market conditions. Small- and mid-cap companies may have less experienced managers than larger, more established companies. They may be more reliant on the efforts of particular members of their management team and management changes may pose a greater risk to the success of their business.

#### **5.4.12 Emerging Markets Risk**

The term “emerging markets” is generally taken to mean the markets of countries that are in the process of developing into modern industrialised countries and thus display a high degree of potential but also involve a greater degree of risk. They include in particular the countries included in the S&P Emerging Broad Market Index, the MSCI Emerging Markets Index and the J.P. Morgan Emerging Market Bond Index Global. These additional risks may be heightened with respect to emerging market countries because political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

Investments in emerging market countries involve increased risk. In particular, the investments are subject to the following risks:

- a) trading volumes in relation to the securities may be low or absent on the securities market involved, which can lead to liquidity problems and serious price fluctuations;
- b) 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;
- c) potentially serious fluctuations in the foreign exchange rate, different legal frameworks, existing or potential foreign exchange export restrictions, customs or other restrictions, and any laws and other restrictions applicable to investments;
- d) political or other circumstances which restrict the investment opportunities of the Subfund, for example restrictions with regard to issuers or industries deemed sensitive to relevant national interests, and
- e) the absence of sufficiently developed legal structures governing private or foreign investments and the risk of potentially inadequate safeguards with respect to private ownership.

Foreign exchange export restrictions and other related regulations in these countries may also lead to the delayed repatriation of all or some of the investments or may prevent them from being repatriated in full or in part, with the result that there may be a delay in the payment of the redemption price.

#### **5.4.13 Currency Risk**

Due to its active positions in cash, the Fund is subject to currency risk. Currency risk is the risk that foreign currencies will decline in value relative to the euro or, in the case of hedging positions, that the Euro will decline in value relative to the currency hedged. In either event, the Euro value of an investment in the Fund would be adversely affected. Currency exchange rates may fluctuate in response to, among other things, changes in interest rates, intervention (or failure to intervene) by governments, central banks or supranational entities, or by the imposition of currency controls or other political developments.

#### **5.4.14 Fixed Income Market Risk**

The prices of the Fund's fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund's fixed income securities will decrease in value if interest rates rise and vice versa. In a low interest rate environment, risks associated with rising rates are heightened. Declines in dealer market-making capacity as a result of the structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the Danish krone. In response to these events, the Fund's value may fluctuate and/or the Fund may experience increased redemptions from shareholders, which may impact the Fund's liquidity or force the Fund to sell securities into a declining market.

#### **5.4.15 Interest Rate Risk**

The risk that a rise in interest rates will cause a fall in the value of fixed income securities, including government securities, in which the Fund invests. Although developed government securities are considered to be among the safest investments, they are not guaranteed against price movements due to changing interest rates. A low interest rate environment may present greater interest rate risk because there may be a greater likelihood of rates increasing and rates may increase more rapidly.

#### **5.4.16 REIT Investment Risk**

Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. REITs may be affected by changes in the value of their underlying properties or mortgages or by defaults by their borrowers or tenants. Furthermore, these entities depend upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. In addition, the performance of a REIT may be affected by changes in the tax laws.

#### **5.4.17 Commodity Risk**

Commodity price risk is the threat that a change in the price of a production input will adversely impact a producer who uses that input. Commodity production inputs include raw materials like cotton, corn, wheat, oil, sugar, soybeans, copper, aluminium and steel. Factors

that can affect commodity prices include political and regulatory changes, seasonal variations, weather, technology and market conditions.

#### **5.4.18 Cash FX Risk**

Cash FX risk or exchange rate risk is the risk of an investment's adverse movement in correspondence to a long or short position in a foreign currency. Changes in currency prices are usually driven by macroeconomic factors e.g. GDP, monetary policies, or changes to commodity prices depending of the country's industries. In addition, global political or international events may have a direct influence on the strength between two currencies.

### **5.5 Certain financial instruments and investment techniques**

#### **5.5.1 OTC financial derivative instruments**

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Subfund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Subfund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this

Offering Document. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Subfunds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

## **5.5.2 Securities lending, repurchase agreements and buy-sell back transactions**

Securities lending transactions, repurchase agreements and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending transactions, repurchase agreements and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Subfund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Subfund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending transactions, repurchase agreements and buy-sell back transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Subfund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Subfund may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.



### 5.5.3 Collateral management

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Subfund. However, transactions may not be fully collateralised. Fees and returns due to the Subfund may not be collateralised. If a counterparty defaults, the Subfund may need to sell non-cash collateral received at prevailing market prices. In such a case the Subfund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Subfund to meet redemption requests.

A Subfund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Subfund to the counterparty as required by the terms of the transaction. The Subfund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Subfund.

## **6. MANAGEMENT AND ADMINISTRATION**

### **6.1 The Board of Directors**

The members of the Board of Directors will be elected by the general meeting of shareholders. The Board of Directors is vested with the broadest powers to act on behalf of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the general meeting of shareholders.

The Board of Directors is responsible for conducting the overall management and business affairs of the Fund in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Subfunds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the AIFM and the general monitoring of the performance and operations of the Fund.

The Board of Directors has adopted and implemented a Code of Conduct which sets out the general governance principles and rules of conduct which the directors seek to apply in carrying out their duties.

For the current composition of the Board of Directors, please refer to the Directory.

### **6.2 The AIFM**

The Fund is managed by GAM (LUXEMBOURG) S.A. (the "**AIFM**"), which is subject to the provisions of Chapter 15 of the 2010 Law as well as the provisions of the 2013 Law.

The AIFM will assume the functions of an alternative investment fund manager according to the 2013 Law and will act in accordance with the provisions of the 2016 Law.

In addition, the Fund is domiciled at the registered office of the AIFM.

The AIFM was established on 8 January 2002. It is registered under the number B-85.427 with the Luxembourg *Registre de Commerce et des Sociétés*, where copies of the AIFM's articles of association are available for inspection on request. The AIFM's articles of association were last amended on 31 December 2015, as published in the *Mémorial* of 16 January 2016. The AIFM's registered office is at 25, Grand-Rue, L-1661 Luxembourg.

Aside from managing the Fund, the AIFM manages other UCIs, a list of which can be obtained from the registered office of the AIFM free of charge.

According to the AIFM Agreement concluded between the Fund and the AIFM, the AIFM will be responsible for the Fund's portfolio management, administration, marketing, domiciliation function, risk management and compliance, in accordance with this Offering Document and under the supervision of the Board of Directors of the Fund.

The Board of Directors of the Fund takes all strategically important decisions concerning the Fund and the Subfunds. Decisions relating to the portfolio and the risk management of the Fund have been delegated to the AIFM, as coordinated from time to time with the Board of Directors of the Fund.

Under the supervision and ultimate responsibility of the Board of Directors, the AIFM manages the Fund in accordance with the investment policy and investment restrictions laid down in the Offering Document and in keeping with the relevant laws and directives, with the rules of the Offering Document and the respective provisions of the Subfunds.

Further functions of the AIFM in relation to the respective Subfunds are described in more detail, as applicable, in the relevant Supplements.

The AIFM may, with the consent of the Fund, appoint one or more investment managers to perform certain functions in relation to the investment management of a specific Subfund. Information on such appointed investment managers are provided, as applicable, in the relevant Supplements.

The AIFM and all appointees, to whom functions of the AIFM are delegated, will receive a fee out of the respective assets of the Subfund concerned; the fee is detailed in the Supplements relating to the Subfunds concerned.

The AIFM employs a risk management process and also has risk management procedures and processes which enable it to monitor the risks of each Subfund. The AIFM maintains a liquidity management process to monitor the liquidity of the Subfunds, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions.

The AIFM has established policies and procedures and made arrangements to ensure the fair treatment of investors. Such arrangements include, but are not limited to, ensuring that, in principle, no one or more investors are given preferential treatment over any rights and obligations in relation to their investment in a given Subfund.

All rights and obligations to investors, including those related to subscription and redemption requests, are set out in this Offering Document and the Articles of Association.

Information regarding the risk management process, liquidity management employed by the AIFM and how the AIFM complies with the coverage of professional liability is available upon request from the AIFM's registered office.

### **6.3 Investment Manager**

The Directors of the Fund are responsible for the overall investment policy, objectives and management of the Fund and of each Subfund.

The AIFM, by means of an investment management agreement, has appointed the following investment manager ("**Investment Manager**"), for the management of the Subfunds' assets:

ANNOX A/S, Svanemøllevej 41, DK-2900 Hellerup, Denmark

ANNOX A/S is a joint-stock company organised under the laws of Denmark and holds an asset manager license granted by the Danish *Finanstilsynet* and, as such, is prudentially supervised by the *Finanstilsynet*.

The Investment Manager is authorised to make investments directly for the Subfund, taking into account the investment objectives, policy and limits of the Subfund, as applicable, and under the ultimate supervision of the AIFM or, as the case may be, the Board of Directors or the auditor(s) appointed by the AIFM.

The Investment Manager may seek the support of investment advisers or sub-investment managers with the Fund's consent.

### **6.4 The Depositary**

The Fund has appointed State Street Bank Luxembourg S.C.A. ("**SSB-LUX**") having its registered office at 46, Avenue John F. Kennedy, L-1885 Luxembourg, Grand Duchy of Luxembourg, as depositary bank (the "**Depositary Bank**") of the Fund with responsibility for

- a) Custody of the assets,
- b) Monitoring duties,
- c) Cash flow monitoring and

under the terms of the 2016 Law, the 2013 Law and the Depositary Agreement (“**Depositary Agreement**”) and the Administration Agency, Paying Agency, Registrar and Transfer Agency and Listing Agency Agreement (“**Services Agreement**”) both dated 4 December 2017 which were entered into between the AIFM, the Fund and SSB-LUX.

SSB-LUX was established in 1990 and is registered with the Luxembourg trade and companies’ register (R.C.S.) under the number B-32.771. It holds a banking licence in accordance with the Luxembourg law of 5 April 1993 on the financial sector and is specialised in custody, fund management and related services. Its share capital is over EUR 65 million.

### **On a) Custody of the assets**

In accordance with the Luxembourg laws and legal regulations, the 2013 Law and the Depositary Agreement, the Depositary Bank is responsible for the safekeeping of the financial instruments that can be held in safekeeping and for the accounting and verification of ownership of the other assets.

#### **Delegation**

Furthermore, the Depositary Bank is authorized to delegate its depositary obligations under the 2013 Law to sub-depositaries and to open accounts with sub-depositaries, provided that (i) such delegation complies with the conditions laid down by applicable Luxembourg laws; and (ii) the Depositary Bank will exercise all customary and appropriate care and expertise with regard to the selection, appointment, regular monitoring and control of its sub-depositaries.

#### **Exemption from liability**

The Depositary Bank may, under certain circumstances and in accordance with Article 19 (13) of the 2013 Law, discharge itself of liability.

In the event that it is required by a foreign local law or legal regulation that certain financial instruments be kept in the custody of a local entity and if none of the locally available entities meets the requirements placed on delegation in accordance with Article 19 (11) d (ii) of the 2013 Law, the Depositary Bank may contractually discharge itself of its liability provided that certain conditions are fulfilled in accordance with article 19 (14) of the 2013 Law.

In accordance with Article 19 (14) and 21 (2) of the 2013 Law, prior to investing in AIFs, investors must be informed by the AIFM about any agreement concluded by the depositary, in order to be contractually exempted from the liability pursuant to Article 19 (13) and (14) of the 2013 Law. Furthermore, investors must be notified, without undue delay, on the Homepage [www.jbfundnet.com](http://www.jbfundnet.com), about any alteration of the depositary's liability.

At the date of this Offering Document, the Depositary Bank has not signed any agreement for exemption from liability in accordance with Article 19 (13) and/or Article 19 (14) of the 2013 Law.

### **On b) Monitoring duties**

In accordance with the 2016 Law, the 2013 Law, the EU Regulation N°231/2013 of 19 December 2012 (the “AIFM Ordinance”) and the Depositary Agreement, the Depositary Bank will:

- (i) ensure that the sale, issue, redemption, switching and cancellation of the Fund's shares are conducted in accordance with the 2016 Law, the 2013 Law and the Articles;
- (ii) ensure that the value of the Fund's shares is calculated in accordance with the 2016 Law, the 2013 Law, the Articles of the Fund and the requirements laid down in Article 19 of the 2013 Law;
- (iii) execute the AIFM's instructions, provided they do not conflict with the 2016 Law, the 2013 Law and the Articles of the Fund;

(iv) ensure that in transactions concerning the Fund's assets, any remuneration is remitted/forwarded to the Fund within the customary time limits;

(v) ensure that the Fund's income is recorded in the accounts in accordance with the 2016 Law, the 2013 Law and the Articles of the Fund.

### **On c) Cash flow monitoring**

In accordance with the 2013 Law, the AIFM Ordinance and the Depositary Agreement, the Depositary Bank is obliged to perform certain monitoring duties with regard to cash flows as follows:

(i) reconciling all cash flows and conducting such reconciliation on a daily basis;

(ii) identifying cash flows which in its professional judgment are significant and in particular those which may possibly not be in keeping with the Fund's transactions. The Depositary Bank will conduct its verification on the basis of the previous day's transaction statements;

(iii) ensuring that all bank accounts within the Fund's structure have been opened in the name of the Fund or the Depositary on behalf of the Fund;

(iv) ensuring that the relevant banks are EU or comparable banking institutions;

(v) ensuring that the monies that have been paid by the shareholders have been received and recorded on cash accounts and have then been recorded either on cash accounts or third-party accounts.

### **Disclosure**

SSB-LUX is part of a company operating globally. In connection with the settlement of subscriptions and redemptions and the fostering of business relations, data and information about customers, their business relationship with SSB-LUX (including information about the beneficial owner) as well as, to the extent legally permissible, information about business transactions may be transmitted to affiliated entities or groups of companies of SSB-LUX abroad, to its representatives abroad or to the AIFM or the Fund. These service providers and the AIFM or Fund are required to keep the information confidential and use it only for the purposes for which they have been made available to them. The data protection laws in foreign countries may differ from the Privacy Policy in Luxembourg and provide a lower standard of protection.

### **Conflicts of interest**

The Depositary Bank is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary Bank or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, securities lending agent, investment management, financial advice and/or other advisory services to the Fund;

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund, either as principal and in the interests of itself, or for other clients.

In connection with the above activities, the Depositary Bank or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission,

revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
- (iv) may provide the same or similar services to other clients including competitors of the Fund;
- (v) may be granted creditors' rights by the Fund which it may exercise.

The Fund may use an affiliate of the Depositary Bank to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Investment Manager or the AIFM may also be a client or counterparty of the Depositary Bank or its affiliates.

The Fund pays the Depositary Bank a remuneration for its services based on the net asset value of the respective Subfund at the end of each month and is payable monthly in arrears. In addition, the Depositary Bank is entitled to payment to recover expenses and the fees charged, in turn, by other correspondent banks.

## **6.5 Central Administration Agent, Principal Paying Agent, Registrar and Transfer Agent (The "Administrator")**

Pursuant to an Administration Agency, Corporate and Paying Agency, Registrar and Transfer Agency, Listing Agency Agreement, SSB-LUX has been appointed to provide services as the Fund's Central Administration Agent, Corporate Agent, Registrar and Transfer Agent as well as Principal Paying Agent and (as the case may be) Listing Agent (commonly, the "Administrator").

In its function as Principal Paying Agent, SSB-LUX is responsible for receiving payments for Share subscriptions and recording these payments on the Fund's bank accounts that have been opened with the Depositary Bank, and paying out distributions and redemption proceeds to the Shareholders.

In consideration of the services rendered, SSB-LUX receives a remuneration out of the assets of the relevant Subfund, as further disclosed in the section "Fees and Costs", which is based on the net asset value of the respective Subfund each month, payable monthly in arrears.

## **6.6 The Auditor**

The Fund has appointed PricewaterhouseCoopers Société Coopérative as its independent auditor (*réviseur d'entreprises agréé*) within the meaning of the 2016 Law. The Auditor is elected by the general meeting of shareholders. The Auditor will inspect the accounting

information contained in the Annual Report and fulfil other duties prescribed by the 2016 Law.

## **6.7 Conflicts of interest**

The Board of Directors, the AIFM, the Investment Manager, the Depositary, the Administrator and the other service providers of the Fund, 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 Fund.

As further described in the Articles of Association, any director of the Fund who has, directly or indirectly, a financial interest conflicting with the interest of the Fund in connection with a transaction falling within the competence of the Board of Directors, must inform the Board of Directors. The relevant director may not take part in the discussions on and may not vote on the transaction. Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders. The Board of Directors has also adopted and implemented a conflicts of interest policy in accordance with its Code of Conduct.

The AIFM has adopted and implemented a conflicts of interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly.

## **6.8 Execution of transactions**

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

# **7. SHARES**

## **7.1 Shares, Subfunds and Share Classes**

### **7.1.1 Shares**

The share capital of the Fund is represented by fully paid up Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Subfunds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2016 Law, which is currently 1,250,000 EUR.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting shareholder. The registration of a shareholder in the register of shareholders of the Fund evidences the shareholder's ownership right towards the Fund.

The Fund will recognise only one single shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Fund. The Fund has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

The Shares carry no preferential or pre-emptive rights: the Fund is authorised without limitation to issue an unlimited number of fully paid up Shares on any Valuation Day without reserving to existing investors a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund and at all meetings of the Subfund or Share Class concerned.

Fractions of Shares will be issued up to three (3) decimal places. Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Subfund or Share Class to which they belong in accordance with their terms, as set out in this Offering Document. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares are each entitled to participate in the net assets allocated to the relevant Subfund or Share Class in accordance with their terms, as set out in the Supplements. Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Subfund or Share Class as of that point, as described in more detail in section 7.4 (Subscription for Shares) below. Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Subfund or Share Class until and including that point, as described in more detail in section 7.5 (Redemption of Shares) below.

Shares redeemed will generally be cancelled unless the Fund decides otherwise.

### **7.1.2 Subfunds**

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Subfunds. Each Share issued by the Fund is a share in a specific Subfund. Each Subfund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Subfund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Fund's creditors, each Subfund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Subfund may only be used to meet the debts, liabilities and obligations attributable to that Subfund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Subfund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Subfund to satisfy such deficit. Assets and liabilities are allocated to each Subfund in accordance with the provisions of the Articles of Association, as set out in section 8.2 (Valuation procedure) below.

Each Subfund may be established for an unlimited or limited duration as specified in its Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Subfund once or several times. Investors will be notified at each extension. At the expiry of the duration of a Subfund, the Fund will redeem all the Shares in that Subfund. The Supplement will indicate the duration of each Subfund and its extension, where applicable.

Additional Subfunds may be established by the Board of Directors from time to time without the consent of investors in other Subfunds. A new Supplement will be added to this Offering Document for each new Subfund established.



**7.1.3 Share Classes**

The Subfunds may offer several Share Classes, as set out in the Supplements. Each Share Class within a Subfund may have different features such as the fee structure, minimum subscription or holding amounts, currency, different hedging techniques or distribution policy or other distinctive features, or be offered or reserved to different types of investors. Investors will be able to choose the Share Class with the features most suitable to their individual circumstances.

Each Share Class may be created for an unlimited or limited duration, as specified in the Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Share Class once or several times. Investors will be notified at each extension. At the expiry of the duration of a Share Class, the Fund will redeem all the Shares in that Share Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Subfund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Subfund, if any, are set out in the Supplements.

**7.1.4 Naming Convention**

The letters set out below have the following significance:

<b>Share Class</b>	
<b>C</b>	These Share Classes are accumulating and will be issued to all investors who are eligible investors for the Fund pursuant to section 7.3.1.
<b>S</b>	These Share Classes are accumulating and will be issued to investors who are eligible investors for the Fund pursuant to section 7.3.1. and who subscribe these Shares during the Subscription Period of the respective Subfund (as defined in the respective Supplement). After the launch of the respective Subfund, S-Shares will, in principle, no longer be available for subscriptions. However, the Board of Directors may, in its own discretion, accept subscriptions in S-Shares during the first year after the launch of the respective Subfund.

**7.1.5 Changes to Subfunds and Share Classes**

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Association. Any changes to the Articles of Association will require a resolution of the general meeting of shareholders, as further described in section 10.2 (Meetings of shareholders) below.

Subject to the above, the Board of Directors may change the characteristics of any existing Subfund, including its objective and policy, or any existing Share Class, without the consent of investors. In accordance with applicable laws and regulations, investors in the Subfund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Offering Document will be updated as appropriate.

## **7.2 Dividend distribution policy**

Each Subfund may offer distributing Shares and non-distributing (accumulating) Shares in accordance with the Naming Convention, which shall indicate whether Shares confer the right to dividend distributions (Distribution Shares) or do not confer this right (Accumulation Shares). Distribution Shares and Shares issued within the same Subfund will be represented by different Share Classes.

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

The Fund shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Fund shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares, as described in the Supplements. The dividend distribution policy may vary between Distribution Shares within the same or different Subfunds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Fund would fall below the minimum share capital required by the 2016 Law which is currently EUR 1,250,000.

No interest shall be paid on dividend distributions declared by the Fund which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class.

## **7.3 Eligible Investors**

Shares may only be acquired or held by investors who (i) are Well-Informed Investors, as further described below, and (ii) satisfy all additional eligibility requirements for a specific Subfund or Share Class, if any, as specified for the Subfund or Share Class in the Supplement (an Eligible Investor).

The Board of Directors has decided that any investor not qualifying as an Eligible Investor will be considered as a Prohibited Person, in addition to those persons described in section 7.10 (Prohibited Persons) below. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Offering Document (see section 7.10 (Prohibited Persons) below).

### **7.3.1 Well-Informed Investors**

Only Well-Informed Investors (as defined by article 2(1) of the 2016 Law) can be Eligible Investors. According to article 2(1) of the 2016 Law, Well-Informed Investors are:

- 1) Institutional Investors;
- 2) Professional Investors; or

- 3) any other investors having confirmed in writing that they are a well-informed investor and either:
- having a minimum investment in the Fund of at least an amount to be equivalent to one hundred twenty-five thousand Euro (EUR 125,000), or
  - having been the subject of an assessment made by a credit institution within the meaning of Directive 2006/48/EC, by an investment firm within the meaning of MiFID or by a management company within the meaning of the UCITS Directive certifying his expertise, his experience and his knowledge in adequately appraising an investment in the specialized investment fund.

According to the 2016 Law, the conditions set forth in such article are not applicable to the members of the Board of Directors and other persons who intervene in the management of the Fund.

### **7.3.2 Other investor eligibility requirements**

Each Subfund and/or each Share Class may have different or additional requirements as to the eligibility of its investors. Certain Subfunds or Shares Classes may be reserved to specified categories of investors such as Institutional Investors or investors who are residents of or domiciled in specific jurisdictions. Eligibility requirements for each Subfund or Shares Class are set out in the Supplements.

## **7.4 Subscription for Shares**

Applications for subscriptions can be submitted for each Subscription Day provided that a complete application is submitted by the Cut-Off Time for that Subscription Day. Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus any Subscription Fee) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share Class from their issue. The Subscription Day, Cut-Off Time, and Subscription Settlement Period for each Subfund or Share Class are specified in the Supplement.

### **7.4.1 Subscription application**

Shares in any new Subfund or Share Class may be available for subscription during an Initial Offer and will be issued on the first Subscription Day following the Initial Offer at the Initial Offer Price. Information on the Initial Offer and the Initial Offer Price of any new Subfund or Share Class will be set out in the Supplement and available from the Administrator upon request. The Fund may reschedule the Initial Offer and/or amend the Initial Offer Price.

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for that Subscription Day. The Net Asset Value per Share for the Subscription Day at which an application will be processed is unknown to the investors when they place their subscription applications.

Investors wishing to subscribe for Shares of a Subfund or Share Class will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The liability of each investor in respect of the Shares subscribed will be limited to the Subscription Price (plus any Subscription Fee). The Subscription Form must be submitted to the Administrator following the instructions on such form. The Subscription Form is available from the AIFM and from the Administrator on request.

The Fund will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to investors on subscription proceeds received by the Fund prior to receiving clear and complete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Fund may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the Fund may refuse an application for subscription where the Fund determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the Fund will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of a Subfund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Subfund or Share Class is suspended by the Fund, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the Fund, notably under other exceptional circumstances.

#### **7.4.2 Settlement of subscription**

The Subscription Price (plus any Subscription Fee) must be paid in the Reference Currency of the Share Class or, at the request of the investor, in any other currency accepted by the Fund. In the latter case, the Fund will have the subscription proceeds in the other currency converted into the Reference Currency of the Subfund or Share Class, at the risks and costs of the investor, taking into account prevailing currency exchange rates. The Fund may charge a fee for this conversion service. The Fund will process the subscription application by reference to the net proceeds of the conversion into the Reference Currency of the Subfund or Share Class.

Ccy	Correspondent Bank	Beneficiary Account number	on behalf of
CHF	BOFAGB3SSWI (Bank of America London)	CH45 0872 6000 0401 0701 6	GAM (Luxembourg) S.A.
EUR	BOFADEFX (Bank of America Frankfurt)	DE40 5001 0900 0020 0400 17	GAM (Luxembourg) S.A.
GBP	BOFAGB22 (Bank of America London)	GB24 BOFA 1650 5056 6840 14	GAM (Luxembourg) S.A.
USD	BOFAUS3N (Bank of America New York)	6550068052	GAM (Luxembourg) S.A.

If the payment of the Subscription Price (plus any Subscription Fee) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Fund, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less any Redemption Fee). The Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

The Fund reserves the right to require indemnification from the applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription Price (plus any Subscription Fee) by the end of the Subscription Settlement Period. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

### 7.4.3 Subscription in kind

The Fund may agree to issue Shares as consideration for a "contribution in kind" of assets with an aggregate value equal to the Subscription Price (plus any Subscription Fee), provided that such assets comply with the investment objective and policy of the Subfund and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the Fund shall take into account the interest of other investors of the Subfund and the principle of fair treatment. Any contribution in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the contributing investor will agree on specific settlement procedures. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing investor or by such other third party as agreed by the Fund.

### 7.5 Redemption of Shares

Applications for redemptions can be submitted by investors for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications will be processed, if accepted, at the Redemption Price applicable to that Redemption Day. The Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Subfund or Share Class until their redemption. The Redemption Day, Cut-Off Time, and Redemption Settlement Period for each Subfund are specified in the Supplement.

### **7.5.1 Redemption application**

Investors may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the investors when they place their redemption applications.

The Fund may charge a Redemption Fee on redemptions of Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below, which will be deducted from the payment of the Redemption Price. The Redemption Fee is equal to a maximum percentage of the Redemption Price or such other amount as specified for each Subfund or Share Class in the Supplement, where applicable.

Investors wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the Administrator following the instructions on such form. The Redemption Form is available from the AIFM and from the Administrator on request.

The Fund will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Fund may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares of a Subfund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Subfund or Share Class is suspended by the Fund, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The redemption of Shares of a Subfund or Share Class may also be suspended in other exceptional cases where the circumstances and the best interest of the investors so require.

### **7.5.2 Settlement of redemption**

Redemption proceeds equal to the full amount of the Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period specified in the Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Investors should refer to the local sales documents for their jurisdiction or contact their local paying agent for further information. The Fund will not accept responsibility for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Subfund or the Share Class or, at the request of the investor, in any other currency accepted by the Fund. In the latter case, the Fund will have the net redemption proceeds converted into the other currency at the risks and costs of the investor, taking into account prevailing currency exchange rates. The Fund may charge a fee for this conversion service. The Fund will pay to the investor the net proceeds of the conversion into the other currency.

The Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The Fund may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Fund. No interest will be paid to investors on redemption proceeds paid after the end of the Redemption Settlement Period.

### **7.5.3 Redemption in kind**

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to an investor a “redemption in kind” whereby the investor receives a portfolio of assets of the Subfund of equivalent value to the Redemption Price (less any Redemption Fee). In such circumstances the investor must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other investors of the Subfund and the principle of fair treatment. Where the investor accepts a redemption in kind, he will receive a selection of assets of the Subfund. Any redemption in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the redeeming investor will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming investor or by such other third party as agreed by the Fund.

## **7.6 Conversion of Shares**

Applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Subfund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day. The number of New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

### **7.6.1 Conversion application**

Unless set out otherwise in the Supplement, investors may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any investor eligibility requirements applicable to the

New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

The number of New Shares issued upon a conversion will be based upon the respective Net Asset Values of the Original Shares and the New Shares for the Conversion Day. These Net Asset Values are unknown to the investors when they place their conversion application.

The Fund may charge a Conversion Fee on conversions of Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below and specified in the Supplement. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator following the instructions on such form. The Conversion Form is available from the AIFM and from the Administrator on request.

The Fund will only process conversion applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction to find out which Cut-Off Time is applicable to them. Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Fund may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the Fund decides to close the Subfund or Share Class to new subscriptions or new investors. In any event, no conversion application will be processed unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) for the Original Shares has been received by the Fund.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Fund in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Offering Document.



## **7.6.2 Conversion rate**

The rate at which the Original Shares are converted into New Shares is determined on the basis of the following formula:

$$A = (B \times C \times D) / E$$

where:

- A is the number of New Shares to be allocated;
- B is the number of Original Shares to be converted into New Shares;
- C is the Net Asset Value per Share of the Original Shares for the Conversion Day;
- D is the exchange rate, as determined by the Fund, between the Reference Currency of the Original Shares and that of the New Shares. Where the Reference Currencies are the same, D equals one (1); and
- E is the Net Asset Value per Share of the New Shares for the Conversion Day.

A Conversion Fee may be applied, if and to the extent set out in the Supplement. The Conversion Fee is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.

## **7.7 Transfer of Shares**

### **7.7.1 Conditions and limitations on transfer of Shares**

Shares are freely transferable subject to the restrictions set out in the Articles of Association and this Offering Document. In particular, the Fund may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons.

Subject to the above, the transfer of Shares will normally be given effect by the Fund by way of declaration of transfer recorded in the register of shareholders of the Fund following the delivery to the Administrator of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Fund.

The Fund will only give effect to Share transfers that it considers clear and complete. The Administrator may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Fund may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete transfer orders may lead to delays in their execution. The Fund will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

### **7.7.2 Trading of Shares on a stock exchange**

The Shares of the Subfunds will not be listed and admitted to trading on any stock exchange.

## **7.8 Special considerations**

### **7.8.1 Minimum subscription and holding amounts**

The subscription for Shares may be subject to a minimum initial subscription amount and/or additional subscription amount, as specified for each Share Class in the Supplement. The Fund may reject any application for subscription for or conversion into Shares of a Share Class which does not meet the applicable minimum initial subscription amount or additional subscription amount for that Share Class, if any.

In addition, the holding of Shares may be subject to a minimum holding amount, as specified for each Share Class in the Supplement. The Fund may treat any application for redemption or conversion of part of a holding of Shares in a Share Class as a deemed application for redemption or conversion of the entire holding of the redeeming investor in that Share Class if, as a result of such application, the Net Asset Value of the Shares retained by the investor in that Share Class would fall below the applicable minimum holding amount. Alternatively, the Fund may grant a grace period to the investor so as to allow him to increase his holding to at least the minimum holding amount.

The Fund may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the Fund will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the Fund has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly. In particular, the Fund may waive all or part of such requirements for investments made by certain nominees and other professional intermediaries.

### **7.8.2 Minimum or maximum level of assets under management**

The Fund may decide to cancel the launch of a Subfund or Share Class before the end of the Initial Offer where that Subfund or Share Class has not reached the minimum or expected level of assets under management for such Subfund or Share Class to be operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Fund will be returned to the applicant without any interest being due.

Where applications for redemptions or conversions out of a Subfund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Subfund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Subfund or Share Class to be operated in an efficient manner, the Fund may decide to terminate and liquidate the Subfund or Share Class in accordance with the procedure set out in section 10.8 (Liquidation) below. In such a case, all remaining Shares of the Subfund or Share Class will be redeemed.

The Fund may also decide to close a Subfund or Share Class to new subscriptions or new investors where that Subfund or Share Class has reached or is about to reach its maximum

or expected level of assets under management, where accepting new subscriptions or investors would be detrimental to the performance of the Subfund or Share Class, or in other circumstances determined by the Board of Directors. In such events, applications for subscription will be refused, in whole or in part, and subscription proceeds previously received by the Fund will be returned to the applicant.

### **7.8.3 Suspension of issue, redemption or conversion of Shares**

The issue, redemption or conversion of Shares in a Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Fund in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below and in other circumstances specified in the Articles of Association and this Offering Document.

Suspended subscriptions, redemptions and conversions will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Fund before the end of the suspension period.

### **7.8.4 Deferral of redemption or conversion of Shares**

If on any given Redemption Day or Conversion Day, applications for redemption or conversion of Shares out of a Subfund or Share Class represent in aggregate more than ten per cent (10%) of the Net Asset Value of the Subfund or Share Class, the Fund may decide that part (on a *pro rata* basis) or all of such requests for redemption or conversion will be deferred to the next or subsequent Redemption Days or Conversion Days until the application is processed in full. On a next or subsequent Redemption Day or Conversion Day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such Redemption Day or Conversion Day.

The Fund also reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period in accordance with the provisions set out in section 7.5 (Redemption of Shares) above.

As an alternative to deferring applications for redemptions, the Fund may propose to an investor, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Subfund or Share Class in lieu of cash, subject to the conditions set out in section 7.5 (Redemption of Shares) above.

### **7.9 Late trading, market timing and other prohibited practices**

Subscriptions and redemptions are made for investment purposes only. Neither the Fund nor the AIFM nor SSB-LUX will permit market timing or any other excessive trading practices. Such practices may be detrimental to the performance of the Fund or its Subfunds, thereby interfering with the management of the portfolio. To minimise these negative consequences, the Fund, the AIFM and SSB-LUX reserve the right to refuse subscription and switching applications from investors whom they believe to be carrying out, or to have carried out, such practices or whose practices adversely affect the other investors.

The Fund may also compulsorily redeem the Shares of a shareholder engaging in or having engaged in such practices. It shall not be liable for any gain or loss resulting from such rejected applications or compulsory redemptions.

## 7.10 Prohibited Persons

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares or prohibit certain practices such as late trading and market timing by any person (individual, corporation, partnership or other entity), if in the opinion of the Board of Directors such ownership or practices may (i) result in a breach of any provisions of the Articles of Association, the Offering Document or the laws or regulations of any jurisdiction, or (ii) require the Fund, the AIFM or the Investment Manager to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or in any other jurisdiction, or (iii) may cause the Fund, the AIFM or the Investment Manager or the investors any legal, regulatory, taxation, administrative or financial disadvantages which they would not have otherwise incurred (a “**Prohibited Person**”).

The Board of Directors has also decided that any person not qualifying as an Eligible Investor (including, for the avoidance of doubt, any person not qualifying as a Well-Informed Investor) will be considered as a Prohibited Person.

Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 7.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may require at any time any investor or prospective investor to provide the Fund with any representations, warranties, or information, together with supporting documentation, which the Fund may consider necessary for the purpose of determining whether the issue or transfer would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. In such cases, the Fund will notify the investor of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 7.5 (Redemption of Shares) above.

The Fund may also grant a grace period to the investor for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more investors who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any investor who fails to satisfy the investor eligibility requirements for a Shares Class into Shares of another Share Class available for such investor.

The Fund reserves the right to require the investor to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

## **7.11 Prevention of money laundering**

The Fund and the AIFM retain the right to reject subscriptions in full or in part, in their full discretion. In this case, any payments or credits already made would be returned to the subscriber. In addition, the Fund and the AIFM may refuse to accept new applications from new investors for a specific period if this is in the interest of the Fund and/or shareholders, including situations where the Fund or a Subfund have reached a size such that they can no longer make suitable investments.

The Administrator or, as the case may be, any Distributor, must at all times comply with the provisions of Directive (EU) 2015/849 and the Luxembourg law on the prevention of money laundering, and in particular the law of 7 July 1989, which amends the law of 19 February 1973 on the sale of drugs and the combating of drug dependency, the law of 12 November 2004 on the combat against money laundering and terrorist financing and of the law of 5 April 1993 on the financial sector, as amended, as well as other relevant laws or regulations passed by the government of Luxembourg or by supervisory authorities.

Subscribers of Shares must inter alia prove their identity to the Administrator or the Distributor (if any), whichever accepts their subscription request. The Administrator or such Distributor, both acting as delegate of the Fund and/or the AIFM, must request from subscribers the following identity papers: in the case of natural persons a certified copy of the passport or identity card (certified by the local government administration); in the case of companies or other legal entities a certified copy of the certificate of incorporation, a certified copy of the extract from the commercial register, a copy of the latest published annual accounts, the full name of the beneficial owner. The Fund may at any time require confirmation of compliance from the Administrator and/or the Distributor (if any). If applicable, the Administrator checks compliance with the aforementioned rules in all subscription/redemption requests which it receives from any Distributors in non-FATF countries. In case of doubt as to the identity of the party applying for subscription or redemption because of inadequate, inaccurate or lack of identification, the Administrator is authorized, without involving costs, to suspend or reject subscription/redemption requests for the reasons cited above. Any appointed Distributors must additionally comply with all provisions for the prevention of money laundering which are in force in the countries where they are domiciled and where they do business.

FATF or GAFI countries are those which comply with the provisions of the Financial Actions Task Force ("*Groupe d'action financière internationale*").

## **8. VALUATION AND NET ASSET VALUE CALCULATION**

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the Fund and the calculation and publication of the Net Asset Value can be performed.

The Net Asset Value of each Subfund and Share Class is determined by performing a valuation of the assets and liabilities of the Fund and allocating them to the Subfunds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Subfund. The method for the valuation of the assets and liabilities, the allocation to the Subfunds and Share Classes, and the calculation of the Net Asset Value is set out in the AIFM's valuation policy, the Articles of Association, and is also described in this section of the Offering Document.

## **8.1 Calculation of the Net Asset Value**

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day (as specified for each Subfund in the Supplement) under the responsibility of the AIFM. It shall be calculated by dividing the Net Asset Value of the Share Class of a Subfund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to two (2) decimal places.

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Subfund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Day according to the valuation procedure described below.

The Net Asset Value of a Subfund is equal to the value of the assets allocated to such Subfund less the value of the liabilities allocated to such Subfund, both calculated as of each Valuation Day in the Reference Currency of the Subfund according to the valuation procedure described below.

The Net Asset Value of the Fund will at all times be equal to the sum of the Net Asset Values of all Subfunds expressed in the Reference Currency of the Fund. The Net Asset Value of the Fund must at all times be at least equal to the minimum share capital required by the 2016 Law which is currently 1,250,000 EUR, except during the first twelve (12) months following the constitution of the Fund.

## **8.2 Valuation procedure**

### **8.2.1 General**

The assets and liabilities of the Fund will be valued in accordance with the AIFM's valuation policy and the provisions outlined below.

The AIFM may apply, in good faith and in accordance with generally accepted valuation principles and procedures, other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The AIFM may adjust the value of any asset if the AIFM determines that such adjustment is required to reflect its fair value taking into account its denomination, maturity, liquidity, applicable or anticipated interest rates or dividend distributions or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Subfund are quoted, listed or traded, the AIFM may cancel the first valuation and carry out a second valuation in order to safeguard the interest of investors. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

For the purpose of calculating the Net Asset Value in accordance with the valuation principles set out below, the AIFM relies in whole or in part upon valuations provided by available pricing sources for the relevant asset, including data vendors and pricing agencies (such as Bloomberg or Reuters), fund administrators, brokers, dealers and valuation

specialists, provided that such pricing sources are considered reliable and appropriate and provided that there is no manifest error or negligence in such valuations. In the event that valuations are not available or valuations may not correctly be assessed using such pricing sources, the Administrator will rely upon valuation methods and determinations provided by the AIFM.

The AIFM and the Administrator may seek information from the Investment Manager in valuing the Fund's assets. Where the AIFM considers it necessary, it may seek the assistance of a valuation committee whose task will be the prudent estimation of certain assets' values in good faith.

In the absence of fraud, bad faith, gross negligence or manifest error, any decision taken in accordance with the Articles of Association and the Offering Document by the AIFM, the Board of Directors or any agent appointed by them in connection with the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund, a Subfund or a Share Class, the Net Asset Value per Share will be final and binding on the Fund and on all investors, and neither the Board of Directors, nor the AIFM, nor any agent appointed by them shall accept any individual liability or responsibility for any determination made or other action taken or omitted by them in this connection.

The AIFM will be liable to the Fund for any losses suffered as a result of the AIFM's gross negligence or intentional failure to perform its valuation obligations.

### **8.2.2 Assets of the Fund**

Subject to the rules on the allocation to Subfunds and Share Classes below, the assets of the Fund shall include the following:

- 1) all cash on hand or on deposit, including any outstanding accrued interest;
- 2) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- 3) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;
- 4) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);
- 5) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;
- 6) the formation expenses of the Fund or a Subfund, to the extent that such expenses have not already been written off; and
- 7) all other assets of any kind and nature including expenses paid in advance.

### **8.2.3 Liabilities of the Fund**

Subject to the rules on the allocation to Subfunds and Share Classes below, the liabilities of the Fund shall include the following:

- 1) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);
- 2) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;
- 3) a provision for any tax accrued to the Valuation Day and any other provisions authorised or approved by the Fund; and
- 4) all other liabilities of the Fund of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Fund will take into account all expenses, fees, costs and charges payable by the Fund as set out in section 9 (Fees and Expenses) below.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five (5) years. The formation expenses of each new Subfund will be borne by such Subfund and may be amortised over a period of up to five (5) years. New Subfunds created after the incorporation and launch of the Fund will participate in the non-amortised costs of establishment of the Fund.

#### **8.2.4 Valuation principles**

In accordance with the Articles of Association and the AIFM's valuation policy, the valuation of the assets of the Fund will be conducted as follows:

- 1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends, and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof.
- 2) Transferable securities and money market instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the AIFM will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable securities and money market instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.



- 3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, money market instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- 4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the AIFM will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.
- 5) Financial derivative instruments which are traded “over-the-counter” (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the AIFM which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.
- 6) Notwithstanding paragraph 2) above, shares or units in target investment funds will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the AIFM is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.
- 7) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.

### **8.2.5 Allocation of assets and liabilities to Subfunds and Share Classes**

Assets and liabilities of the Fund will be allocated to each Subfund and Share Class in accordance with the provisions of the Articles of Association, as set out below, and the Supplement of the Subfund.

- 1) The proceeds from the issue of Shares of a Subfund or Share Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Subfund or Share Class and recorded in its books. The assets allocated to each Share Class of the same Subfund will be invested together in accordance with the investment objective, policy, and strategy of that Subfund, subject to the specific features and terms of issue of each Share Class of that Subfund, as specified in its Supplement (see section 7.1 (Shares, Subfunds and Share Classes) above).
- 2) All liabilities of the Fund attributable to the assets allocated to a Subfund or Share Class or incurred in connection with the creation, operation or liquidation of a Subfund or Share Class will be charged to that Subfund or Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Subfund or Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.
- 3) Any assets or liabilities not attributable to a particular Subfund or Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to investors generally and will normally be allocated to all Subfunds or Share Classes *pro rata* to their Net Asset Value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Subfund or Share Class.

#### **8.2.6 Additional rules for assets and liabilities of the Fund**

In calculating the Net Asset Value of each Subfund or Share Class the following principles will apply.

- 1) Each Share agreed to be issued by the Fund on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Fund, the assets of the Subfund or Share Class concerned will be deemed to include a claim of that Subfund or Share Class for the amount of any cash or other property to be received in respect of the issue of such Shares. The Net Asset Value of the Subfund or Share Class will be increased by such amount immediately after the time of valuation on the Subscription Day.
- 2) Each Share agreed to be redeemed by the Fund on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Fund, the liabilities of the Subfund or Share Class concerned will be deemed to include a debt of that Subfund or Share Class for the amount of any cash or other property to be paid in respect of the redemption of such Shares. The Net Asset Value of the Subfund or Share Class will be decreased by such amount immediately after the time of valuation on the Redemption Day.
- 3) Following a declaration of dividends for Distribution Shares on a Valuation Day determined by the Fund to be the distribution accounting date, the Net Asset Value of the Subfund or Share Class will be decreased by such amount as of the time of valuation on that Valuation Day.

- 4) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Fund, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Fund, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Fund has reason to believe that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the AIFM in accordance with the valuation principles described above.
- 5) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Fund, Subfund or Share Class will be converted, as applicable, into the Reference Currency of the Fund, Subfund or Share Class at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the AIFM considers appropriate.

### **8.3 Publication of the Net Asset Value**

The publication of the Net Asset Values will take place on each Valuation Day, unless otherwise provided for in the respective Supplement. The Net Asset Value per Share of each Share Class within each Subfund will be available from the Administrator during normal business hours and will be published on the website [www.annox.com](http://www.annox.com).

### **8.4 Temporary suspension of the Net Asset Value calculation**

The Board of Directors, upon consultation with the AIFM, may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Subfund and/or where applicable, the issue, redemption and conversion of Shares of any Share Class in any Subfund in the following cases:

- 1) when any exchange or regulated market that supplies the price of the assets of a Subfund is closed, otherwise than on ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- 2) when the information or calculation sources normally used to determine the value of the assets of a Subfund are unavailable;
- 3) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Subfund, or which is required to calculate the Net Asset Value per Share;
- 4) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Subfund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
- 5) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Subfund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;

- 6) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Subfund in a normal manner and/or prevent the determination of their value in a reasonable manner;
- 7) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Subfund is invested;
- 8) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a master fund in which a Subfund invests as a feeder fund;
- 9) when, for any other reason, the prices or values of the assets of a Subfund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Subfund in the usual way and/or without materially prejudicing the interests of investors;
- 10) in the event of a notice to shareholders of the Fund convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Fund or informing them about the termination and liquidation of a Subfund or Share Class, and more generally, during the process of liquidation of the Fund, a Subfund or Share Class;
- 11) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- 12) during any period when the dealing of the Shares of a Subfund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- 13) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Subfund or Share Class, in compliance with the principle of fair treatment of investors in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of investors or where significant requests for subscription, redemption or conversion of Shares are received for a Subfund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Subfund or Share Class only after the Fund has completed the necessary investments or divestments in securities or other assets for the Subfund or Share Class concerned.

The issue, redemption and conversion of Shares in the any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to investors as required by applicable laws and regulations.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any Subfund or Share Class will

have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any other Subfund or Share Class.

Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Administrator before the end of the suspension period.

## **9. FEES AND EXPENSES**

### **9.1 Subscription Fee and Redemption Fee**

Subscriptions for Shares may be subject to a Subscription Fee and redemptions of Shares may be subject to a Redemption Fee both calculated as specified in the Supplement, where applicable. Conversions of Shares may be subject to a Conversion Fee calculated as specified in the Supplement, where applicable. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Where applicable, an identical Subscription Fee, Redemption Fee, or Conversion Fee will apply, respectively, to all subscriptions, redemptions and conversions of Shares in each Share Class processed on the same Subscription Day, Redemption Day or Conversion Day.

Banks and other financial intermediaries appointed by or acting on behalf of the investors, where applicable, may charge administration and/or other fees or commissions to the investors pursuant to arrangements between those banks or other financial intermediaries and the investors. The Fund has no control over such arrangements.

### **9.2 Management Fee**

Every Supplement provides that an annual maximum fee for management and advisory services as well as for distribution services may be charged to the Subfund ("**Management Fee**"). The remuneration of the AIFM, the Depositary Bank and the Administrator is paid separately and amounts to not more than 0.50% p.a. of the net asset value ("**Service Load**") subject to such minima as may be disclosed in the Supplement.

Each Supplement may contain different or additional provisions as regards fees and costs.

The amount of the Total Fee or the Management Fee is stated in the relevant Supplement for every Subfund in the section "Fees and Costs" and is, if not disclosed otherwise, payable monthly in arrears.

### **9.3 Performance Fee**

As the case may be, an additional performance related fee ("**Performance Fee**"), as described in the relevant Supplement, may be charged to the net assets of each Subfund.

### **9.4 Directors' fees and expenses**

The members of the Board of Directors are entitled to receive a fee in consideration for their function. However, members of the Board of Directors who are also directors, officers or employees of the Investment Manager or its affiliates will be requested to waive their fees. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal

proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question. The Fund may also pay fees and expenses to members of any committee established by the Board of Directors, where applicable.

## 9.5 Operating and Administrative Expenses

The Fund bears all ordinary costs and expenses incurred in the operation and administration of the Fund or any Subfund or Share Class (“**Operating and Administrative Expenses**”) including but not limited to costs and expenses incurred in connection with:

- 1) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Subfund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, this Offering Document, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);
- 2) organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;
- 3) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the AIFM on behalf of the Fund;
- 4) investment services taken and/or data obtained by the Fund or the AIFM on behalf of the Fund (including fees and expenses incurred in obtaining investment research, systems and other services or data utilised for portfolio and risk management purposes);
- 5) the authorisation of the Fund, the Subfunds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
- 6) initial and ongoing obligations relating to the registration and/or listing of the Fund, a Subfund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- 7) the determination and publication of tax factors for the EU/EEA Member States and/or any other countries where distribution licences and/or private placements exist, according to the actual expenditure incurred at market rates;
- 8) memberships or services provided by international organisations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);
- 9) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d’abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and
- 10) the reorganisation or liquidation of the Fund, a Subfund or Share Class.

## **9.6 Transaction costs**

Each Subfund bears the costs and expenses arising from buying and selling portfolio assets and entering into other transactions in securities or other financial instruments, such as brokerage fees and commissions and all other fees, expenses, commissions, charges, premiums and interest paid to banks, brokers, execution agents or securities lending agents and/or incurred in participating in any securities lending, repurchase and buy-sell back programs, collateral management fees and associated costs and charges, exchange fees, taxes, levies and stamp duties chargeable in connection with transactions in securities or other financial, and any other transaction-related expenses.

## **9.7 Extraordinary costs and expenses**

In order to safeguard the interests of the Fund and its investors, the Fund or any Subfund may bear any extraordinary costs and expenses including, without limitation, costs and expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Fund or Subfund that would not be considered as ordinary Operating and Administrative Expenses.

## **9.8 Formation costs and expenses**

The costs and expenses incurred in connection with the formation of the Fund are estimated to an amount of approximately EUR 80.000. Such costs and expenses will be borne by the Fund and may be amortised over a period of up to five (5) years from the date of incorporation of the Fund. The formation costs and expenses of each new Subfund will be borne by such Subfund and may be amortised over a period of up to five (5) years. New Subfunds created after the incorporation and launch of the Fund will participate in the non-amortised formation costs and expenses of the Fund.

## **9.9 Investment Manager Indemnity**

In the absence of the Investment Manager's negligence, the Fund shall herewith be obliged to hold harmless and indemnify the Investment Manager, its board members and officers, upon first request, with regard to all expenses, claims and demands brought to bear against them, always provided that such claims are based upon (i) a breach of contract by the Fund, or (ii) arising out of any action properly taken by the Investment Manager in accordance with the Investment Management Agreement.

As far as damage compensation payments have been made to third parties based on claims brought to bear against the persons mentioned above, these persons shall be correspondingly indemnified by the Fund.

## **10. GENERAL INFORMATION**

### **10.1 Reports and financial statements**

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP and will contain any material changes to the information listed in article 21 of the 2013 Law during the financial year to which the financial statement refers.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Subfund and a report of the Board of Directors on the activities of the Fund. The first financial year will end on 31 December 2018 and the first Annual Report will be issued as of 31 December 2018.

The Annual Reports shall be made available to investors within six (6) months following the end of the reporting period. Investors may obtain, upon request, a copy of the latest Annual Report from the AIFM free of charge.

The Reference Currency of the Fund is the Euro. The Annual Report will comprise consolidated accounts of the Fund expressed in Euro as well as individual information on each Subfund expressed in the Reference Currency of such Subfund.

### **10.2 Meetings of shareholders**

The annual general meeting of shareholders will be held within six (6) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other general meetings of shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund. General meetings of shareholders of any Subfund or any Share Class within a Subfund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Subfund or Share Class.

Notices of all general meetings may be made through announcements sent to all registered shareholders by ordinary mail (*lettre missive*); alternatively, convening notices may be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting or if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such means of communication. Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Association and in the 1915 Law. All shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Subfund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund, and at all meetings of the Subfund or Share Class concerned to the extent that such Share is a Share of such Subfund or Share Class.



Shareholders holding together at least ten per cent (10%) of the share capital or the voting rights may submit questions in writing to the board of directors relating to transactions in connection with the management of the Fund.

The Board of Directors may suspend the voting rights of any shareholder in breach of his obligations as described in this Offering Document, the Subscription Form or the Articles of Association.

### **10.3 Investors' rights**

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Fund in relation to the relevant Subfund and Share Class. The Fund draws the investors' attention to the fact that, where an investor invests in the Fund through an intermediary acting in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights, such as the right to participate in general meetings of shareholders, directly against the Fund. Investors are advised to seek advice in relation to their rights.

The Articles of Association are governed by, and construed in accordance with, the laws currently in force in Luxembourg. The Subscription Form is expressed to be governed by, and construed in accordance with, the laws currently in force in Luxembourg, and contains a choice of international competence of the courts of Luxembourg.

There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Fund, the rules of the Brussels I (Recast) (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Absent a direct contractual relationship between the investors and the service providers mentioned in section 6 (Management and Administration) above, the investors will generally have no direct rights against service providers and there are only limited circumstances in which an investor can potentially bring a claim against a service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by a service provider is, *prima facie*, the Fund itself.

### **10.4 Changes to this Offering Document**

The Board of Directors, in close cooperation with the AIFM, may from time to time amend this Offering Document to reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Subfund's objective and policy or changes to fees and costs charged to a Subfund or Share Class. In accordance with applicable laws and regulations, investors in the Subfund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree.

### **10.5 Documents and information available**

The following documents may be obtained free of charge on request from the Fund's registered office:

- a) the full Offering Document;
- b) the Fund's Articles;
- c) the Fund's most recent Annual Report;
- d) the AIFM Agreement;
- e) the Investment Management Agreement(s).

In addition, the following information will be periodically communicated to the investors:

- a) the percentage share of the assets of the respective Subfunds that is difficult to liquidate and for which special regulations thus apply;
- b) any new arrangements concerning the liquidity management of a Subfund;
- c) the current risk profile of the Subfunds and the risk management systems used by the AIFM to control these risks.

In the event of any contradictions between the documents mentioned in the English language and any translations, the English-language version shall apply. This shall be without prejudice to mandatory deviating regulations relating to distribution and marketing in jurisdictions in which Shares of the Fund have been lawfully distributed.

The AIFM will also make available at its registered office the following information to be provided to Investors under the AIFM Law (to the extent not indicated in this Offering Document or in the Fund's annual report):

- all relevant information regarding conflicts of interest in order to identify, prevent, manage and monitor the potential conflicts of interests which may be detrimental to the investors' interests;
- the maximum amount of the fees that may be paid annually by the Fund and its Subfunds;
- a description of the way the AIFM complies with the requirements set out in Article 8, paragraph 7 (professional liability insurance) of the AIFM Law and Article 24(2) (information on remunerations, commissions and other granted inducements of the Commission Delegated Regulation (EU) No 231/2013;
- if applicable, a description of any right to reuse collateral and granted guarantee;
- the historical performance of each Subfund;
- if applicable, details of any arrangements for the contract and discharge of the Depository Bank's liability. Should such an arrangement be entered into, affected shareholders will be informed without undue delay;
- the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature;
- any changes to the risk profile of the Fund or the systems employed by the AIFM to manage such risks;
- any changes to the maximum level of leverage which the AIFM may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement;
- the total amount of leverage employed by the Fund; and
- the latest Net Asset Value of the Fund or the latest market price of the Shares of the Fund.

In addition, if any of the Subfunds uses securities financing transactions as defined in Regulation (EU) 2015/2365 on transparency of securities financing transaction and of reuse and amending Regulation (EU) No 648/012 (the "**SFTR**"), all the information required by the SFTR will be available at the registered office of the AIFM

## 10.6 Data protection

Pursuant to the Luxembourg law of 2 August 2002 on data protection (as amended from time to time), any information that is furnished in connection with an investment in the Fund may be held on computer and gathered, recorded, transferred, treated, used and processed by the Investment Manager(s), the AIFM, Investment Adviser(s), the Depositary Bank, the Registrar and Transfer Agent, the Central Administration and Principal Paying Agent, distributors or their delegates as data processor or data controller, as appropriate. Information may be processed for the purposes of carrying out the services of the aforementioned entities and to comply with legal obligations including legal obligations under applicable company law and anti-money laundering legislation, tax identification (including, but not limited to, for the purpose of compliance with the Foreign Account Tax Compliance Act, as might be amended, completed or supplemented ("FATCA") and the Common Reporting Standard or similar laws and regulations, as well as, to the extent permissible and under the conditions set forth in Luxembourg laws and regulations and any other local applicable laws and regulations, the development of business relationships including sales and marketing of investment products and services. Information shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as auditors and the regulators or agents of the aforementioned entities who process the data inter alia for anti-money laundering purposes or for compliance with foreign regulatory requirements.

By subscribing shares of the Fund investors consent to the processing of their information and the disclosure of their information to the aforementioned entities including companies situated in countries outside of the European Economic Area ("EEA") which may not have the same data protection laws as in Luxembourg. The transfer of data to the aforementioned entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the EEA. Investors may request access to, rectification of or deletion of any data provided to any of the aforementioned entities above or stored by any of the aforementioned entities above in accordance with applicable data protection legislation. Investors may at any time object, on request and free of charge, to the processing of their personal data for direct marketing purposes. Investors should address such requests to the AIFM at the address indicated below.

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

Neither the Fund nor the aforementioned entities will accept any liability with respect to any unauthorised third party receiving knowledge of or having access to such personal data, except in the case of negligence by the foregoing.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing subject always to applicable legal minimum retention periods.

## 10.7 Merger and reorganisation

### 10.7.1 Merger of the Fund, Subfunds or Share Classes

The Board of Directors may decide to merge, in accordance with applicable laws and regulations, the Fund, a Subfund or Share Class (the "**Merging Entity**") with (i) another Subfund or Share Class of the Fund, or (ii) another Luxembourg RAIF or Subfund or share class thereof, or (iii) another foreign UCI or Subfund or share class thereof (the "**Receiving Entity**") in the event that, for any reason, the Board of Directors determines that:

- (i) the Net Asset Value of the merging Subfund or Share Class has decreased to, or has not reached, the minimum level for that Subfund or Share Class to be managed and/or administered in an efficient manner,
- (ii) changes in the legal, economic or political environment would justify such merger, or
- (iii) a product rationalisation would justify such merger,

by transferring the assets and liabilities from the Merging Entity to the Receiving Entity, or by allocating the assets of the Merging Entity to the assets of the Receiving Entity, or by any other method of merger, amalgamation or reorganisation, as may be applicable, and, following a split or consolidation, if necessary, and the payment to investors of the amount corresponding to any fractional entitlement, by re-designating the shares of the Merging Entity as shares of the Receiving Entity, or by any other method of reorganisation or exchange of shares, as may be applicable.

Investors of the Merging Entity will be informed of the merger by way of a notice sent prior to the merger in accordance with applicable laws and regulations. The notice will indicate the reasons for and the procedures of the merger, as well as information on the Receiving Entity.

Such a merger does not require the prior consent of the shareholders except where the Fund is the Merging Entity which, thus, ceases to exist as a result of the merger; in such case, the general meeting of shareholders of the Fund must decide on the merger and its effective date. However, in case the Board of Directors has decided to merge a Subfund or Share Class into another Luxembourg RAIF or other UCI of the contractual type (*fonds commun de placement*) or Subfund or share class thereof, or into another foreign UCI or Subfund or share class thereof, special approval and/or majority requirements may apply in compliance with applicable legal and regulatory requirements.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraphs, investors of the Merging Entity may decide on such merger by resolution taken by the general meeting of shareholders of the Subfund or Share Class concerned. The convening notice to the general meeting of shareholders of the Subfund or Share Class will indicate the reasons for and the procedures of the proposed merger, as well as information on the receiving Entity.

#### **10.7.2 Absorption of another fund or Subfund or share class**

The Board of Directors may decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Fund or one or several Subfunds or Share Classes of (i) another Luxembourg RAIF or Subfund or share class thereof, or (ii) another foreign UCI or Subfund or share class thereof (the “**Absorbed Entity**”). The exchange ratio between the Shares and the shares or units of the Absorbed Entity will be calculated on the basis of the net asset value per share or unit as of the effective date of the absorption.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Fund or any Subfund or Share Class, as applicable, may also decide on any of the absorptions described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Subfund or Share Class. The convening notice will explain the reasons for and the process of the proposed absorption.

#### **10.7.2 Reorganisation of Subfunds or Share Classes**

Under the same conditions and procedure as for a merger of Subfunds or Share Classes into another Subfund or Share Class of the Fund, the Board of Directors may decide to reorganise a Subfund or Share Class by means of a division into two or more Subfunds or Share Classes.

## **10.8 Liquidation**

### **10.8.1 Termination and liquidation of Subfunds or Share Classes**

The Board of Directors may decide to compulsorily redeem all the Shares of any Subfund or Share Class and thereby terminate and liquidate any Subfund or Share Class in the event that, for any reason, the Board of Directors determines that:

- (i) the Net Asset Value of a Subfund or Share Class has decreased to, or has not reached, the minimum level for that Subfund or Share Class to be operated in an efficient manner;
- (ii) changes in the legal, economic or political environment would justify such liquidation; or
- (iii) a product rationalisation would justify such liquidation.

Investors will be informed of the decision to terminate a Subfund or Share Class by way of a notice. The notice will explain the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of any Subfund or Share Class, as applicable, may also decide on such termination by resolution taken by the general meeting of shareholders of the Subfund or Share Class and have the Fund redeem compulsorily all the Shares of the Subfund or Share Class at the Net Asset Value per Share for the applicable Valuation Day. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

Subfunds or Share Classes with a defined term will be automatically terminated and liquidated upon the occurrence of their term, as set out in the Supplement where applicable, unless terminated earlier in accordance with the provisions of this section.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the Subfund or Share Class concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interest of investors in that Subfund or Share Class or could jeopardise the fair treatment of investors.

All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by investors upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

The termination and liquidation of a Subfund or Share Class will have no influence on the existence of any other Subfund or Share Class. The decision to terminate and liquidate the last Subfund existing in the Fund will result in the dissolution and liquidation of the Fund in accordance as described in section 10.8.2 (Dissolution and liquidation of the Fund) below.

### **10.8.2 Dissolution and liquidation of the Fund**

The Fund is incorporated for an unlimited period. It may be dissolved at any time with or without cause by a resolution of the general meeting of shareholders adopted in compliance with applicable laws.

The compulsory dissolution of the Fund may be ordered by Luxembourg competent courts in circumstances provided by the 2016 Law and the 1915 Law.

As soon as a decision to dissolve the Fund is taken, the issue, redemption or conversion of Shares in all Subfunds will be prohibited. The liquidation will be carried out in accordance with the provisions of the 2016 Law and 1915 Law. Liquidation proceeds which have not been claimed by investors at the time of the closure of the liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

## 11. TAXATION

The following summary is based on the law and the rules and regulations currently applied in the Grand Duchy of Luxembourg, and are subject to changes.

### 11.1 The Fund

#### *Luxembourg*

The Fund is subject to Luxembourg tax jurisdiction. Under Luxembourg law and the current practice, the Fund is neither subject to income tax nor to any tax on capital gains in respect of realised or unrealised valuation profits, neither are distributions carried out by the Fund currently subject to Luxembourg withholding tax. No taxes are payable in Luxembourg on the issue of Shares.

The Fund is subject, however, to an annual *tax d'abonnement* at the rate of 0.01% of the Fund's NAV as valued at the end of each quarter, and which is payable quarterly. An exemption from the *taxe d'abonnement* may be applicable in the following cases:

a) the value of the assets represented by units held in other UCI already subject to such annual tax;

b) Subfunds:

- (i) the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions; and
- (ii) the residual weighted maturity of the portfolio does not exceed 90 days, and
- (iii) that benefit from the highest possible rating of a recognised rating agency.

c) Subfunds the securities of which are reserved to (i) professional retirement institutions or similar investment vehicles, created on the initiative of one or several employers for the benefit of their employees and (ii) companies of one or several employers investing the funds they hold to furnish a retirement service to their employees.

#### *In general*

Capital gains and income from dividends, interest and interest payments which the Fund generates from its investments in other countries may be subject to different levels of non-recoverable withholding tax or capital gains tax. It is often not possible for the Fund to take advantage of tax breaks due to existing double taxation agreements between Luxembourg and these countries or because of local regulations. Should this situation change in future and a lower tax rate result in tax refunds to the Fund, the net asset value of the Fund as at the original time the tax was withheld will not be recalculated; instead the repayments will be made indirectly pro rata to the existing Shareholders at the time the refund is made.

## 11.2 Shareholders

Under Luxembourg law and current practice, shareholders in Luxembourg are not subject to capital gains tax, income tax, gifts tax, inheritance tax or other taxes (with the exception of shareholders resident or having their tax domicile or a permanent place of business in Luxembourg as well as former residents of Luxembourg, if they hold more than 10% of the Shares of the Fund).

### **Automatic exchange of financial information in the field of taxation**

Many countries, including Luxembourg and Switzerland, have already concluded agreements on the automatic exchange of information (AEOI) with regard to taxation or are considering concluding such agreements. To this end, a reporting standard has been coordinated within the OECD. This so-called common reporting standard (CRS) forms the framework for the exchange of financial information in the field of taxation between countries.

CRS obliges financial institutions to gather and, as the case may be, report information on financial assets which are kept under custody or administered across the border for taxpayers from countries and territories which participate in the AEOI. This information will be exchanged between the participating countries' tax authorities.

The member countries of the European Union have decided to implement the AEOI and CRS within the EU by means of Directive 2014/107/EU of the Council of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

Luxembourg has implemented the Directive 2014/107/EU by enacting the Law of 18 December 2015 on the automatic exchange of information regarding financial accounts ("Law on Financial Account Information Exchange") and substantiated by further regulations. Accordingly, from 2016 on, in-scope Luxembourg financial institutions collect certain investor information relating to the holders of financial accounts (as well as, as the case may be, relating to persons controlling account holders) and, from 2017, will begin reporting this information relating to the reportable accounts to Luxembourg tax authorities. These reports will be transferred by the Luxembourg tax authorities to certain foreign tax authorities, in particular within the EU.

According to the assessment of the Board of Directors, the Fund is subject to the Financial Accounts Information Exchange Law in Luxembourg. The Fund has been classified as "reporting financial institute" (investment entity) according to the Financial Accounts Information Exchange Law. Therefore, the Fund gathers and, as the case may be, reports information relating to account holders pursuant to the principles laid down above.

The Fund reserves the right to refuse applications for the subscription of Shares or compulsory redeem Shares if the information provided by the applicant respectively the Shareholder does not meet the requirements of the Directive 2014/107/EU and, respectively, of the Financial Accounts Information Exchange Law. Moreover, to fulfil their obligations in Luxembourg under the Financial Accounts Information Exchange Law, respectively, under the Directive 2014/107/EU, the Fund, the AIFM or the nominees may require, depending on the circumstances, additional information of the Shareholders in order to comply or dispense with their fiscal identification and, as the case may be, reporting duties.

Applicants and Shareholders are made aware of the Fund's duty to transmit information on reportable accounts and their holders as well as, as the case may be, of controlling individuals to the Luxembourg tax authorities, which, depending on the circumstances, may forward

this information to certain tax authorities in other countries with which a treaty on the automatic exchange of information has been concluded.

The scope and application of the AEOI or CRS may vary from country to country and the applicable rules may change. It is the responsibility of applicants respectively Shareholders to seek advice on taxes and other consequences (including on the exchange of tax information) which may result from the subscription, ownership, return (redemption), switching and transfer of Shares, as well as distributions, including any regulations regarding the control on the movement of capital.

### **11.3 Foreign Account Tax Compliance Act (“FATCA”) of the United States of America (“US”)**

The US have introduced FATCA to obtain information with respect to foreign financial accounts and investments beneficially owned by certain US taxpayers.

In regards to the implementation of FATCA in Luxembourg, the Grand Duchy of Luxembourg has signed a Model 1 intergovernmental agreement with the US on 28 March 2014 (the "Lux IGA"), which will be transposed into Luxembourg legislation according to the terms of the Lux IGA (“Lux IGA Legislation”). Under the terms of the Lux IGA, a Luxembourg resident financial institution (“Lux FI”) will be obliged to comply with the provisions of the Lux IGA Legislation, rather than directly complying with the US Treasury Regulations implementing FATCA. A Lux FI that complies with the requirements of the Lux IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA (“FATCA Withholding”), provided the Lux FI properly certifies its FATCA status towards withholding agents.

The Board of Directors considers the Fund to be a Lux FI that will need to comply with the requirements of the Lux IGA Legislation and classified the Fund and its sub-funds as Sponsored Investment Entities under the Lux IGA. Sponsored Investment Entities qualify for a deemed-compliant status and constitute a Non-Reporting Lux FI under the Lux IGA.

For Sponsorship purposes under the Lux IGA, the Fund appointed the AIFM as Sponsoring Entity, which registered in this capacity on the FATCA online registration portal of the US Internal Revenue Service (“IRS”) and agreed to perform the due diligence, withholding, and reporting obligations on behalf of the Fund (“Sponsoring Entity Service”).

In the performance of the Sponsoring Entity Service, the AIFM may use the assistance and contribution of sub-contractors, including the Fund’s Registrar and Transfer Agent.

Under the Lux IGA Legislation, the AIFM will be required to report to the Luxembourg Tax Authority certain holdings by and payments made to certain direct and indirect US Shareholders in the Fund, as well as Shareholders that do not comply with the terms of FATCA or with an applicable Intergovernmental Agreement, on or after 1 July 2014 and under the terms of the Lux IGA, such information will be onward reported by the Luxembourg Tax Authority to the IRS.

Shareholders not holding investments in the Fund directly as Shareholders (i.e. legal holder of records) but via one or several nominees, including but not limited to distributors, platforms, depositaries and other financial intermediaries (“Nominees”), should inquire with such Nominees in regard to their FATCA compliance in order to avoid suffering from FATCA information reporting and/ or potentially withholding.



Pursuant to their obligations under FATCA or under an applicable Intergovernmental Agreement with the US, the Fund, the AIFM or the Nominees may request additional information from Shareholders, to for example, either comply with FATCA information disclosure requirement and/ or potential withholding, or else abstain from action.

The Fund reserves the right to refuse applications for the subscription of the Shares or to impose a compulsory redemption of Shares if the information provided by the applicant or Shareholder does not meet the requirements of the Fund for the fulfilment of its obligations under the Lux IGA or the Lux IGA regulations.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the applicable Intergovernmental Agreements may vary from country to country and is subject to review by the US, Luxembourg and other countries, and the applicable rules may change. Shareholders should contact their own tax or legal advisers regarding the application of FATCA to their particular circumstances.

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

## **12. ADDITIONAL COUNTRY-SPECIFIC INFORMATION**

### **12.1 ADDITIONAL INFORMATION FOR PROFESSIONAL INVESTORS IN THE EU/EEA**

The AIFM intends to notify its intention to market the Shares of the Fund in accordance with local laws and regulations implementing the AIFMD to professional investors in the following Member States of the EU or, as the case may be, in the EEA:

- Austria
- Belgium
- Denmark
- Finland
- France
- Germany
- Iceland
- Italy
- Netherlands
- Norway
- Portugal
- Sweden
- Spain
- United Kingdom

Marketing in these countries shall only commence once the notification procedure has successfully been completed. Particularly, this document shall not be used as advertising material for distribution to retail investors or any other kind of public offering of the Funds or its Shares. The legal documents can be obtained from the AIFM.

### **12.2 ADDITIONAL INFORMATION FOR QUALIFIED INVESTORS IN SWITZERLAND**

The AIFM, acting on behalf of the Fund, has appointed a representative and paying agent in Switzerland in accordance with Art. 120 para. 4 in conjunction with Art. 120 para. 2 letter d) of the Swiss Collective Investment Schemes Act (CISA).

**Representative**

The Representative in Switzerland is GAM Investment Management (Switzerland) AG, Hardstrasse 201, P.O. Box, CH-8037 Zurich.

**Paying Agent**

The Paying Agent in Switzerland is State Street Bank International GmbH, Munich, Zurich Branch, Beethovenstrasse 19, CH-8002 Zurich.

**Payment of Retrocessions and Rebates**

The AIFM and its agents may pay retrocessions as remuneration for distribution activity in respect of Shares of the Fund in or from Switzerland. This remuneration may be deemed payment for the following services in particular: Distribution and Sales activities, i.e. activities whose objective is to promote the distribution and sales of Shares, such as organisation of road shows, the participation in events and fairs, the production of marketing material, the training of sales employees, etc..

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Shareholders.

The recipients of the retrocessions must ensure transparent disclosure and inform Shareholders, unsolicited and free of charge, about the amount of remuneration they may receive for distribution. On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

**Reference Point of Important Documents**

The Offering Document and the annual report of the Fund may be obtained free of charge from the Swiss Representative.

**Place of Performance and Court of Jurisdiction**

For qualified investors who have acquired Shares of the Fund sold in and distributed from Switzerland, the place of performance has been established at the registered office of the Representative in Zurich and the court of jurisdiction has been established as Zurich.

## **13. SUPPLEMENT I: ANNOX ALPHA FUND**

### **1. Subscription Period of Shares / Launch Date**

The Shares of the ANNOX ALPHA FUND (the “**Subfund**”) will be offered for subscription for the first time from 13 to 20 December 2017 (“**Subscription Period**”) at an initial issue price of EUR 100 per Share.

### **2. Reference Currency**

The Reference Currency of the Subfund is EUR.

### **3. Investment Objective**

The investment objective of the Subfund is to create stable absolute returns using a multi-asset, multi-strategy systematic investment approach that invests long and short positions in Futures contracts, Exchange Traded Funds, and cash FX. Investments are carried out using an umbrella approach to portfolio management by diversifying between an array of investment styles such as momentum, value, smart beta, carry and other proprietary signals.

### **4. Investment Policy and Specific Restrictions**

Under normal circumstances, the Subfund seeks to generate capital appreciation over time by taking long and short positions in investments that provide broad exposure to the developed and emerging equity markets, fixed income markets, commodity markets along with major and minor currencies. The Subfund seeks exposure solely by investing in index products such as global futures contracts and exchange traded funds (ETFs), and trading cash FX. The Subfund utilizes quantitative tactical asset allocation methods based on big data algorithms, machine learning, econometric analysis and optimization. The Subfund applies a large array of investment strategies focused on market abnormalities present in the different considered markets, tactical asset allocation (TAA). An overall strategic decision process (SAA) determines the allocation of capital to each strategy with respect to liquidity, expected returns, tail-risk, and correlation among strategies. Overall, the individual strategies invest long and short positions following well-defined investment styles related to value, momentum, seasonality, and carry investments. The Subfund seeks to achieve risk reduction by creating diversified portfolios within asset classes, between asset classes and between investment styles to limit concentration risk. The allocation of capital within each strategy is specifically designed to limit tail-risk and preserve capital in the case of a market crash within a given asset class.

In general, the Subfund implements long/short equity investment strategies by taking long positions with respect to investments that are projected to be undervalued and are likely to increase in price, and short positions with respect to investments that are projected to be overvalued and are likely to decrease in price. Contrary, momentum strategies invest in securities, which are going up/down with a high probability of continuing their trend. The Subfund also benefits from other non-traditional approaches, such as investing in indices constituted by small and medium sized companies, which has a tendency of providing greater returns than an investment in large companies. Furthermore, investments in cyclical and non-cyclical commodities are expected to provide an additional source for excess return and create a natural hedge against inflation. Finally, momentum and carry strategies in the currency markets are utilized to enhance stability of the Subfund's returns.

The Subfund applies a dynamic gearing strategy of its investments with a maximum gearing of 3 on equity, fixed income and commodities, while currency positions can have a maximum gearing of 10.

The portfolio is constructed and continuously monitored based upon several automated quantitative investment models. The Subfund aims to maintain a highly-diversified portfolio across major economic sectors by applying investment constraints on both sector and position size. In addition, all trades are automatically executed and re-evaluated in response to changes in the underlying market conditions.

The Subfund will not invest in over-the counter financial derivative instruments.

The Subfund will not employ any techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions.

## **5. Investor Profile**

The investment objective and policy of the Subfund are suitable for institutional investors, professional investors or well-informed investors seeking to achieve investment objectives which align with those of the Subfund in the context of the investor's overall portfolio.

Investors in the Subfund are expected to be informed investors, who have taken professional advice and are willing to accept high risks by investing, understand and accept the risks associated with investing in the Subfund as set in this Offering Document and view investment in the Subfund as a medium to long term investment.

The Subfund is designed for the investment objective of building up capital and it is suitable for investors who have experience with volatile products and wish to attain defined investment objectives.

Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Subfund.

## **6. Specific Risks**

The Investment Manager makes every reasonable effort to achieve the Fund's investment objectives for the Subfund. However, no guarantee can be given that the investment objectives will actually be achieved. As a result, the NAV of the Shares may become greater or smaller, and different levels of positive as well as negative income may be earned.

Investors should carefully read section 5 (General Risk Factors) of the Offering Document before investing in the Subfund. Investors should also consider the following additional risks which are specific to the Subfund.

### *Exchange Traded Funds (ETFs)*

The Subfund may invest in a wide variety of ETFs.

Even though ETFs are listed on one or more stock exchanges and/or regulated markets, there can be no certainty that there will be liquidity in the ETFs on one or more of the stock exchanges or that the market price at which the ETFs may be traded on a stock exchange will essentially reflect the net asset value of such ETFs. There can be no guarantee that once

ETFs are listed on a stock exchange they will remain listed or that the conditions of listing will not change.

Trading in ETFs on a stock exchange may be halted pursuant to that stock exchange's rules due to market conditions or because in that exchange's view trading ETFs is inadvisable. If trading on an exchange is halted, investors in ETFs may not be able to sell their ETFs until trading resumes.

Although ETFs are listed on a stock exchange, it may be that the principal market for some ETFs may be in the over-the-counter market. The existence of a liquid trading market for ETFs may depend on whether broker/dealers will make a market in such ETFs. Although as a condition to listing on certain stock exchanges one or more market makers have been appointed to offer prices for the ETFs, there can be no assurance that a market will continually be made for any of the ETFs or that such market will be or remain liquid. The price at which ETFs may be sold will be adversely affected if trading markets for the ETFs are limited or absent.

#### *Model and Data Risk*

The Investment Manager may utilize and the Subfund's portfolio is heavily dependent on proprietary quantitative models, information and data including those supplied by third parties. The Investment Manager will at all times exercise due skill and care in deciding whether or not to use particular models, whilst at all times seeking to ensure the investments are optimized. When models and data prove to be incorrect (because of incorrect input, incorrect assumptions or coding or modelling errors), misleading or incomplete, any decisions made in reliance thereon expose the Subfund to potential risks as they may lead to the inclusion or exclusion of securities from the portfolio that would have been excluded or included had the models and data been correct and complete.

#### *Sector Risk*

To the extent that a Subfund invests more in particular sectors of the economy, its performance will be especially sensitive to the developments that significantly affect these sectors.

- **Consumer Sector Risk:** The Subfund may invest in portfolios of companies in the consumer-oriented sectors, and therefore the performance of the Subfund could be negatively impacted by events affecting these sectors. The success of consumer product manufacturers and retailers is tied closely to the performance of the domestic and international economies, interest rates, exchange rates, competition, consumer confidence, changes in demographics and consumer preferences. Companies in the consumer discretionary sector depend heavily on disposable household income and consumer spending, and may be strongly affected by social trends and marketing campaigns. These companies may be subject to severe competition, which may have an adverse impact on their profitability.
- **Health Care Sector Risk:** The Subfund may invest in portfolios of companies in the health care sector, hence the performance of the Subfund could be negatively impacted by events affecting this sector. Companies in the health care sector are subject to extensive government regulation, and their profitability can be significantly affected by restrictions on the state reimbursement for medical expenses, rising costs of medical products and services, pricing pressure (including price discounting), limited product lines, an increased emphasis on the delivery of healthcare through outpatient services, loss or impairment of intellectual property rights and litigation regarding product or service liability.
- **Information Technology Sector Risk:** The Subfund may invest in portfolios of companies in the information technology sector, and therefore the performance of the Subfund

could be negatively impacted by events affecting this sector. Market or economic factors impacting information technology companies and companies that rely heavily on technological advances could have a significant effect on the value of the Subfund's investments. The value of stocks of information technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Stocks of information technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Information technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability.

## **7. Valuation**

Each Business Day is a Valuation Day. The Net Asset Value per Share will be on each Valuation Day. With respect to this Subfund, a Business Day is any day which is defined as a Business Day in the Offering Document and on which banks are open the whole day for non-automated business in Luxembourg.

## **8. Subscriptions**

Each Business Day is a Subscription Day. The Cut-Off Time for subscription applications is 3.00 pm CET on the Subscription Day. Subscription applications must be settled within three (3) banking days after applicable Subscription Day.

No Subscription Fee shall be levied.

## **9. Redemptions**

Each Business Day is a Redemption Day. The Cut-Off Time for redemption applications is 3.00 pm CET on the Redemption Day. Redemption applications will normally be settled within three (3) banking days after the Valuation Day.

No Redemption Fee shall be levied.

## **10. Share Classes**

The table at the end of this Supplement lists all Share Classes which may be established within the Subfund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the AIFM upon request.

## **11. Distribution Policy**

The Fund does not currently intend to issue distributing Shares for the Subfund. All proceeds received by the Subfund will be reinvested.

## **12. Eligible Investors**

Share Classes **C** will be issued to all investors who are eligible investors for the Fund pursuant to section 7.3.1 of the General Part

Share Classes **S** will be issued to investors who are eligible investors for the Fund pursuant to section 7.3.1 of the General Part and who subscribe these Shares during the Subscription

Period of the Subfund. After the launch of the Subfund, S-Shares will, in principle, no longer be available for subscriptions. However, the Board of Directors may, in its own discretion, accept subscriptions in S-Shares during the first year after launch of the Subfund.

### 13. Fees & Costs

#### A) Management Fee

On the basis of the NAV of the Subfund, a maximum annual management fee is charged to the Subfund for the management services relating to the securities portfolio and for other related administrative and distribution services, as set out below:

- C-Shares: max. 0.50% p.a.;
- S-Shares: 0.00%.

#### B) Service Load

The remuneration of the AIFM, the Depositary Bank and Administrator is paid separately and amounts to a not more than 0.50% p.a of the NAV in respect of all Share Categories.

#### C) Performance Fee

The Investment Manager is, in addition, entitled to a performance-related remuneration (“**Performance Fee**”), subject to the conditions set out below:

The Performance Fee is subject to a “high water mark”. The Investment Manager is entitled to a Performance Fee if, at the end of a calendar quarter, the NAV per Share of the Subfund is above of the high water mark (Outperformance over the high water mark).

The Performance Fee will be calculated and accrued on every Valuation Day (as defined in the section “Calculation of net asset value” in the General Part) and paid out quarterly.

At launch of the Subfund or, as the case may be, a Share Category, the High Water Mark will be identical to the initial issue price per Share. If, on the last Valuation Day of a calendar quarter, the NAV per Share outperforms the previous high water mark, the high water mark will be reset to the NAV calculated after deduction of the Performance Fee. In any other cases, the high water mark will remain unchanged.

For the C-Shares, the amount of the Performance Fee for the C-Shares is 25% of the outperformance over the high water mark.

For the S-Shares, up to the 31 December 2020, the amount of the Performance Fee will be 20% of the outperformance over the high water mark. Afterwards, the rate will be 30%.

#### D) Additional Charges

In addition, the Fund shall pay out of the NAV of the Subfund the costs described in the section “Fees and Costs” of the General Part.

**Table 1: Share Classes of ANNOX ALPHA FUND**

Share Class	Currency	DIST / CAP	Minimum Subscription	Maximum Subscription Fee	Maximum Redemption Fee	Management Fee (max.)	Performance Fee
C	EUR	CAP	EUR 250'000	0.00%	0.00%	0.50% p.a.	25%
S	EUR	CAP	EUR 125'000	0.00%	0.00%	0.00%	20% up to 31.12.2020, 30% afterwards