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# ALMA CAPITAL INVESTMENT FUNDS

*Société d'investissement à capital variable*

**PROSPECTUS**

**December 2021**

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## IMPORTANT INFORMATION

### General

Shares in the Company are offered on the basis of the information and the representations contained in the current Prospectus accompanied by the Key Investor Information Document, the latest annual report and semi-annual report, if published after the latest annual report, as well as the documents mentioned herein which may be inspected by the public at the registered office of the Company.

Investors must also refer to the relevant Special Sections attached to the Prospectus. Each Special Section sets out the specific objectives, policy and other features of the relevant Sub-Fund to which the Special Section relates as well as risk factors and other information specific to the relevant Sub-Fund.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus and the Key Investor Information Document and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Depositary. Neither the delivery of this Prospectus or of the Key Investor Information Document nor the offer, placement, subscription or issue of any of the Shares will under any circumstances create any implication or constitute a representation that the information given in this Prospectus and in the Key Investor Information Document is correct as of any time subsequent to the date hereof.

The members of the Board, whose name appear under the Section **General Information**, accept joint responsibility for the information and statements contained in this Prospectus and in the Key Investor Information Document issued for each Sub-Fund. They have taken all reasonable care to ensure that the information contained in this Prospectus and in the Key Investor Information Document is, to the best of their knowledge and belief, true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion at the date indicated on this Prospectus.

Investors may, subject to applicable law, invest in any Sub-Fund offered by the Company. Shareholders should choose the Sub-Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Sub-Fund and will be invested in accordance with the investment policy applicable to the relevant Sub-Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Sub-Fund and Classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Sub-Fund will be achieved.

An investment in the Company involves investment risks including those set out herein under the Section **Risk factors**. In addition, investors should refer to the Section "Specific risk factors" of the Special Section of the relevant Sub-Fund in order to assess – and inform themselves on – the risks associated with an investment in such specific Sub-Fund.

The Company is allowed to invest in financial derivative instruments. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A more detailed description of the risks relating to the use of derivatives may be found under the Section **Risk factors** below.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Prospectus, the Special Sections and the Articles.

## Definitions

Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalised words and expressions will bear the respective meanings ascribed thereto under the Section **Definitions**.

## Selling Restrictions

The distribution of this Prospectus and the offering or purchase of Shares is restricted in certain jurisdictions. This Prospectus and the Key Investor Information Document do not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or would be unlawful. Persons receiving a copy of this Prospectus or of the Key Investor Information Document in any jurisdiction may not treat this Prospectus or the Key Investor Information Document as constituting an offer, invitation or solicitation to them to subscribe for Shares notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Prospectus or of the Key Investor Information Document and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, switching, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, switching, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, switching, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

If you are in any doubt as to your status, you should consult your financial, tax, legal or other professional adviser.

## Foreign Account Tax Compliance Act (FATCA)

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the FFI (a **Recalcitrant Holder**). The new withholding regime has been phased in as of 1 July 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2019. The Company is classified as an FFI.

The United States and a number of other jurisdictions have entered into, or announced their intention to negotiate, intergovernmental agreements to facilitate the implementation of FATCA (each an **IGA**). Pursuant to FATCA and the "**Model 1**" and "**Model 2**" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting Financial Institution**" or otherwise as being exempt from or in deemed compliance with FATCA (a **Non-Reporting Financial Institution**). A Reporting Financial Institution or Non-Reporting Financial Institution is not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being a **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary", "withholding foreign partnership" or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting Financial Institution might in the future be required to withhold as a Participating FFI on foreign

passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting Financial Institution would still be required to report certain information in respect of its account holders and investors to its home government, in the case of a Model 1 IGA jurisdiction, or to the IRS, in the case of a Model 2 IGA jurisdiction. On 28 March 2014, the United States and the Grand Duchy of Luxembourg have entered into an agreement (the **Luxembourg IGA**) based largely on the Model 1 IGA.

The Company intends to qualify as a "**Sponsored Investment Entity**" (as defined in the Luxembourg IGA) and therefore expects to be treated as a Non-Reporting Financial Institution pursuant to the Luxembourg IGA. Accordingly, the Company does not anticipate being subject to withholding under FATCA on payments it receives or being obliged to deduct any FATCA Withholding on payments it makes. To qualify as a Sponsored Investment Entity, the Company will be sponsored by another entity (the **Sponsoring Entity**), which will perform the Company's obligations under the Luxembourg IGA as implemented by the Luxembourg law of 24 July 2015 concerning FATCA. There can be no assurance, however, that the Company will be treated as a Non-Reporting Financial Institution or that it (or the Sponsoring Entity) would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Company (or the Sponsoring Entity) and financial institutions through which payments on the Shares are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Shares is made is not a Participating FFI, a Reporting Financial Institution, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA were to be withheld either from amounts due to the Company or from any payments on the Shares, neither the Company nor any other person would be required to pay additional amounts.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Company and to payments they may receive in connection with the Shares.

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

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

**European Union** – The Company qualifies as a UCITS and may apply for recognition under the UCITS Directive, for marketing to the public in certain EEA Member States.

**USA** – The Shares have not been and will not be registered under the US Securities Act for offer or sale as part of their distribution and the Company has not been and will not be registered under the Investment Company Act. The Articles provide that the Company may compulsorily redeem any Shares that are transferred, or attempted to be transferred, to or for the benefit of any US Person.

#### **Exchange of information for tax purposes**

The Company may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the

Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg legislation implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the “Common Reporting Standard”), each as amended from time to time (each an **AEOI Law** and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

Each Shareholder and prospective investor agrees to provide, upon request by the Company (or its delegates), any such information, documents and certificates as may be required for the purposes of the Company’s identification and reporting obligations under any AEOI Law. The Company reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Company (or its delegates) has reason to believe that the information, documents or certificates provided to the Company (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Company (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Company nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Company (or its delegates). Any Shareholder failing to comply with the Company’s information requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder’s failure to provide complete and accurate information.

Each Shareholder and prospective investor acknowledges and agrees that the Company will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

### **Prevailing language**

The distribution of this Prospectus and the Key Investor Information Document in certain countries may require that these documents be translated into the official languages of those countries. Should any inconsistency arise between the translated versions of this Prospectus, the English version will always prevail.

### **Data protection**

Certain personal data of Shareholders (including, but not limited to, the name, address and invested amount of each Shareholder) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company and the Management Company as data controllers in the meaning of applicable data protection law. In particular, such data may be processed for the purposes of account and distribution fee administration, anti money laundering and terrorism financing identification, tax identification and, as the case may be, reporting, under the EU Savings Directive, FATCA, Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU), the Common Reporting Standard or any other exchange of tax information regimes to which the Company may be subject to from time to time, maintaining the register of Shareholders, processing subscription, redemption and conversion orders and payments of dividends to Shareholders, to provide client-related services for fraud prevention purposes, to manage litigation, for accounting and marketing purposes and to the extent required to comply with applicable laws. Such information will not be passed on to any unauthorised third persons. Personal data may however be disclosed to third parties where necessary for legitimate business interests. This may include disclosure to third parties such as financial intermediaries, sub-distributors and/or placing agents, Service



Providers, Affiliates of the Management Company, auditors and the regulators or agents of the aforementioned entities who process the personal data for carrying out their services and complying with legal obligations including legal obligations under applicable company law and anti-money laundering legislation. Certain of the aforementioned entities and third parties may be situated in countries outside of the European Union which may not have data protection requirements deemed equivalent to those prevailing in the European Union.

In the frame of the services provided to the Company, the Service Providers, and notably the Administrative Agent, may process personal data on behalf of the Management Company. When subscribing Shares in the Shareholders consent to the aforementioned processing of their personal data and in particular the disclosure of their personal data as described in the preceding paragraph including the transfer of their personal data to parties situated in countries outside of the European Union which may not have the same personal data protection laws as in Luxembourg. Reasonable measures will be taken by the Company and the Management Company to ensure confidentiality of the personal data transferred abroad. However, due to the fact that the personal data is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the personal data is kept abroad. Each (individual related to a) Shareholder whose personal data has been processed has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete. These rights may be executed by the individual by sending a letter to the registered office of the Company to the attention of the Administrative Agent.

To the extent a Shareholder is not an individual but a legal entity, such Shareholder undertakes to adequately inform the individuals concerned of the acts of processing of personal data described herein (including their access rights), and to procure the necessary consents from individuals or representatives related to such Shareholder by subscribing to, or committing to subscribe for, Shares, to the processing of such personal data.

## MANAGEMENT AND ADMINISTRATION

### **Registered office**

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

### **Members of the board of directors**

Andreas Lehmann, Chairman  
Director

Henri Vernhes  
Director

Baptiste Fabre  
Director

Hervé Rietzler  
Director

Gilles Dupin  
Independent Director

Hugues Delcourt  
Independent Director

### **Management Company and Administrative Coordinator**

Alma Capital Investment Management  
5 rue Aldringen  
L-1118 Luxembourg  
Grand Duchy of Luxembourg

### **Members of the board of directors of the Management Company**

Henri Vernhes, Chairman  
Director

Andreas Lehmann  
Director

Hervé Rietzler  
Director

François Becquaert  
Non-Executive Director

Hugues Delcourt  
Independent Director

**Depository and Administrative Agent**

BNP Paribas Securities Services, Luxembourg branch  
 60, Avenue J.-F. Kennedy  
 L-1855 Luxembourg  
 Grand Duchy of Luxembourg

**Auditor**

PricewaterhouseCoopers, Société Coopérative  
 2, rue Gerhard Mercator B.P. 1443  
 L-1014 Luxembourg  
 Grand Duchy of Luxembourg

**Legal adviser**

Allen & Overy, Société en commandite simple  
 33, Avenue J.F. Kennedy  
 L-1855 Luxembourg  
 Grand Duchy of Luxembourg

**Investment Managers**

SUB-FUND	INVESTMENT MANAGER
Alma Capital Investment Funds – Alma US Convertible Fund	Shenkman Capital Management, Inc. 461 Fifth Avenue – 22nd Floor New York, NY 10017, United States of America
Alma Capital Investment Funds – Alma Hotchkis & Wiley Global Value Equity Fund	Hotchkis & Wiley Capital Management, LLC 725 South Figueroa Street, 39th Floor Los Angeles, CA 90017-5439, United States of America
Alma Capital Investment Funds – Alma Zazove Global Convertible Fund	Zazove Associates, LLC 1001 Tahoe Blvd. Incline Village, NV 89451, United States of America
Alma Capital Investment Funds – Alma Perdurance European Equity Fund	Perdurance Asset Management Limited 4th Floor, Forum 4, Grenville Street St Helier, Jersey JE2 4UF
Alma Capital Investment Funds – Alma Recurrent Global Natural Resources Fund	Recurrent Investment Advisors, LLC 3801 Kirby Drive, Suite 654 Houston, TX 77098, United States of America

## PART A – GENERAL SECTION

The General Section applies to all Sub-Funds of the Company. Each Sub-Fund is subject to specific rules which are set forth in the Special Section.

### 1. DEFINITIONS

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

**144 A Securities** means Shares sold to U.S. Persons who are "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act;

**1915 Law** means the Luxembourg law dated 10 August 1915 on commercial companies, as amended;

**2010 Law** means the Luxembourg law dated 17 December 2010 on undertakings for collective investment, as may be amended from time to time;

**Administrative Agent** means BNP Paribas Securities Services, Luxembourg branch, acting as registrar and transfer agent and corporate agent and central administrative agent, principal paying agent of the Company;

**Administrative Coordination Agreement** means the agreement between the Company, the Management Company and the Administrative Coordinator, as amended, supplemented or otherwise modified from time to time;

**Administrative Coordination Fee** means the remuneration of the Administrative Coordinator for its services in respect of the coordination between the Management Company and the Company's service providers (in particular the relevant Sub-Fund's Investment Manager, if any), in accordance with the terms of the relevant Special Section. The Administrative Coordination Fee is paid out of the assets of each Sub-Fund;

**Administrative Coordinator** means Alma Capital Investment Management acting as administrative coordinator with a view to ensure a smooth cooperation between the Management Company and the service providers of the Company (including in particular the relevant Investment Managers);

**Administration Agreement** means the agreement between the Company, the Management Company and the Administrative Agent, as amended, supplemented or otherwise modified from time to time;

**Affiliate** means in relation to any person, any entity Controlled by or Controlling such person or under common Control;

**Articles** means the articles of incorporation of the Company as the same may be amended, supplemented or otherwise modified from time to time;

**Auditor** means PricewaterhouseCoopers Société Coopérative;

**Board** means the board of directors of the Company;

**Business Day** means any full day on which banks are open for business in Luxembourg;

**CFTC** means the United States Commodity Futures Trading Commission;

**Circular 04/146** means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;

**Circular 14/592** means the CSSF circular 14/592 implementing the ESMA guidelines 2014/937 of 1 August 2014 on ETFs and other UCITS issues;

**Class** means a class of Shares relating to a Sub-Fund for which specific features with respect to fee structures, distribution, marketing target or other specific features may be applicable. The details applicable to each Class will be described in the relevant Special Section;

**Clearstream** means Clearstream Banking, *société anonyme*;

**Company** means Alma Capital Investment Funds, a public limited liability company incorporated as an investment company with variable capital under the laws of Luxembourg and registered pursuant to Part I of the 2010 Law;

**Control** means, in relation to an entity: (a) the holding, directly or indirectly, of the majority votes which may be cast at that entity's ordinary shareholders', partners' or members' meetings or the votes necessary to direct or cause the direction of that entity's ordinary shareholders', partners' or members' meetings and (b) any contractual relationship by virtue of which a person can direct the business activities of a company or other entity and "controlled" or "to control" will be construed accordingly;

**Conversion Fee** means the conversion fee which may be levied by the Company in relation to the conversion for any Class in any Sub-Fund, details of which are set out in the relevant Special Section;

**Cross-investing Sub-Fund** has the meaning ascribed to this term in Section 5.9 of the General Section;

**CSSF** means the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority;

**Depository** means BNP Paribas Securities Services, Luxembourg branch, acting as depository of the Company;

**Depository Bank and Paying Agency Agreement** means the agreement between the Company, the Management Company and the Depository, as amended, supplemented or otherwise modified from time to time;

**Directive 2013/34/EU** means Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC;

**Directors** means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports;

**EEA** means the European Economic Area;

**Eligible Investments** means eligible investments for UCITS within the meaning of Article 41 (1) of the 2010 Law;

**Eligible Investor** means, in relation to each Class in each Sub-Fund, an investor that satisfies the relevant criteria to invest in the relevant Class as is stipulated in the relevant Special Section and that is not a Restricted Person;

**EPM Techniques** means efficient portfolio management techniques within the meaning of Section 5.5 of the General Section;

**ESG** means Environmental Social and Governance and refers to those three key factors when measuring the sustainability and ethical impact of an investment.

**ESMA Guidelines 2014/937** means ESMA Guidelines 2014/937 of 1 August 2014 on ETFs and other UCITS issues;

**EU** means the European Union;

**EU Member State** means a member State of the EU. Other than the member States of the EU, the States that are contracting parties to the agreement creating the European Economic Area, within the limits set forth by such agreement and related acts, are considered as equivalent to members states of the EU;

**EU Savings Directive** means the Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments, as amended;

**EUR** means Euro, the single currency of the Economic and Monetary Union;

**Euroclear** means Euroclear Bank S.A./N.V. as the operator of the Euroclear System;

**First Class Institutions** means first class financial institutions selected by the Company, subject to prudential supervision and belonging to the categories approved by the CSSF for the purposes of the OTC Derivative transactions and EPM Techniques and specialised in this type of transaction;

**GBP** means the Great Britain Pound, the currency of the United Kingdom;

**General Section** means the General Section of this Prospectus that sets out the general terms and conditions applicable to all Sub-Funds, unless otherwise provided for in any of the Special Sections;

**Group of Companies** means Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Directive 2013/34/EU and according to recognised international accounting rules, as amended from time to time;

**Initial Offering Period** or **Initial Offering Date** means, in relation to each Sub-Fund, the first offering of Shares in a Sub-Fund made pursuant to the terms of the Prospectus and the relevant Special Section;

**Initial Subscription Price** means, in relation to each Class in each Sub-Fund, the amount stipulated in the relevant Special Section as the subscription price per Share for the relevant Class in connection with the Initial Offering Period or Initial Offering Date;

**Institutional Investor** means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Law;

**Investment Company Act** means the U.S. Investment Company Act of 1940, as amended;

**Investment Manager** means such entity from time to time appointed as investment manager of a particular Sub-Fund as disclosed in the relevant Special Section;

**Key Investor Information Document** means the key investor information document, as amended from time to time;

**Late Trading** means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day;

**Luxembourg** means the Grand Duchy of Luxembourg;

**Management Company** means Alma Capital Investment Management, the designated management company of the Company within the meaning of Chapter 15 of the 2010 Law;

**Management Company Agreement** means the agreement (*convention de services*) between the Company and the Management Company as amended, supplemented or otherwise modified from time to time;

**Management Fee** means the aggregate amount of management fees (to the exclusion of the Performance Fee) payable out of the assets of each Sub-Fund to the Management Company and the Investment Manager of the relevant Sub-Fund (if any);

**Margin Lending Transaction** means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities;

**Market Timing** means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, ie, an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;

**Mémorial** means the Luxembourg *Mémorial C, Recueil des Sociétés et Associations*;

**Minimum Holding Amount** means the minimum number of Shares or amount (if any) which a Shareholder must hold at any time in a particular Class in a particular Sub-Fund as set out in that Sub-Fund's Special Section;

**Minimum Subscription Amount** means, in relation to each Class in each Sub-Fund, the amount which is stipulated in the relevant Special Section as the minimum aggregate subscription monies which a Shareholder or subscriber must pay when subscribing for a particular Class in a Sub-Fund in which the Shareholder or subscriber does not hold Shares of that particular Class prior to such subscription;

**Money Market Instruments** means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time, and instruments eligible as Money Market Instruments, as defined by regulations or guidelines issued by the CSSF from time to time;

**Net Asset Value** means, (a) in relation to the Company, the value of the net assets of the Company, (b) in relation to each Sub-Fund, the value of the net assets attributable to such Sub-Fund, and (c) in relation to each Class in a Sub-Fund, the value of the net assets attributable to such Class, in each case, calculated in accordance with the provisions of the Articles and the Prospectus;

**Net Asset Value per Share** means the Net Asset Value of the relevant Sub-Fund divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Sub-Fund has more than one Class in issue, the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class divided by the number of Shares of such Class in the relevant Sub-Fund which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);

**OECD** means the Organisation for Economic Co-operation and Development;

**OECD Member State** means any of the member States of the OECD;

**OTC** means over-the-counter;

**OTC Derivative** means any financial derivative instrument dealt in over-the-counter (including TRS);

**Other UCI** means an undertaking for collective investment within the meaning of article 1(2) points (a) and (b) of the UCITS Directive, whether or not established in a EU Member State, provided that:

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

**Performance Fee** means the performance fee to which the Management Company or an Investment Manager may be entitled out of the assets of a Sub-Fund in accordance with the terms of the relevant Special Section;

**Prospectus** means the sales prospectus relating to the issue of Shares in the Company, as amended from time to time;

**Redemption Fee** means the redemption fee levied by the Company in relation to the redemption of Shares of any Class in any Sub-Fund, details of which are set out in the relevant Special Section;

**Reference Currency** means, in relation to each Sub-Fund, the currency in which the Net Asset Value of such Sub-Fund is calculated, as stipulated in the relevant Special Section;

**Register** means the register of Shareholders of the Company;

**Regulated Market** means a regulated market as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended, or any other market established in the EEA or in any other country of Western Europe, Asia, Oceania, the American continents or Africa which is regulated, operates regularly and is recognised and open to the public;

**Repurchase Transaction**, as per SFTR, means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase transaction for the counterparty selling the securities and a reverse repurchase transaction for the counterparty buying them. In other words, a repurchase transaction is a forward transaction at the maturity of which a Sub-Fund has the obligation to repurchase the assets sold and the buyer (counterparty) the obligation to return the assets received under the transaction. A reverse repurchase transaction is a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the assets sold and the relevant Sub-Fund has the obligation to return the assets received under the transaction;

**Restricted Person** means any US Person and any person, determined in the sole discretion of the Board as being not entitled to subscribe or hold Shares in the Company or any Sub-Fund or Class if, in the opinion of the Directors, (a) such person would not comply with the eligibility criteria of a given



Class or Sub-Fund (b) a holding by such person would cause or is likely to cause the Company some pecuniary, tax or regulatory disadvantage, or (c) a holding by such person would cause or is likely to cause the Company to be in breach of the law or requirements of any country or governmental authority applicable to the Company;

**Retail Investor** means any investor not qualifying as an Institutional Investor;

**Securities Act** means the U.S. Securities Act of 1933, as amended;

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

**SFT Agent** means any person involved in SFTs and on TRS as agent, broker, collateral agent or service provider and that is paid commission, costs or expenses out of the Company's assets or only Sub-Fund's assets (which can be the counterparty of a Sub-Fund on SFT or TRS);

**SFTR** means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;

**Series** means any series of Shares created within a Class for the purpose of the calculation of the Performance Fee;

**Service Providers** means the Management Company, the Investment Manager (if any), the Investment Adviser (if any), the Depositary and the Administrative Agent and any other person who provides services to the Company from time to time;

**Shareholder** means a person who is the registered holder of Shares in the Company;

**Shares** means shares in the Company, of such Classes and denominated in such currencies and relating to such Sub-Funds as may be issued by the Company from time to time;

**Special Section** means each and every supplement to this Prospectus describing the specific features of a Sub-Fund. Each such supplement is to be regarded as an integral part of the Prospectus;

**Sub-Fund** means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific investment objective. The specifications of each Sub-Fund will be described in their relevant Special Section;

**Subscription Fee** means the subscription fee levied by the Company in relation to the subscription for any Class in any Sub-Fund, details of which are set out in the relevant Special Section;

**Supermajority Resolution** means a resolution of the Shareholders' meeting in accordance with the quorum and majority requirements set out in the 1915 Law for amendments to the Articles, i.e., a resolution passed by the vote (cast in person or by way of proxy) of holders representing half of the issued share capital passed by not less than two-thirds of the votes cast in relation to such resolution provided that if the quorum requirement is not fulfilled at the occasion of the first general meeting, a second meeting may be convened at which meeting resolutions are passed at a two third majority of the votes cast without any quorum requirement;

**Target Sub-Fund** Has the meaning ascribed to this term in Section 5.9 of the General Section;

**Transferable Securities** means

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

**TRS** means total return swap, i.e., a derivative contract as defined in point (18) of article 3 of the SFTR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;

**US Person** means a person that is a US person for purposes of Regulation S under the US Securities Act and CFTC Rule 4.7 or a US resident within the meaning of the Investment Company Act, which includes any natural person who is a resident of the United States, any partnership or corporation organised or incorporated under the laws of the United States, any estate of which any executor or administrator is a US person and the income of such estate is subject to United States income tax regardless of source, any trust of which any trustee is a US person and the income of such trust is subject to United States income tax regardless of source and any other US person that is a US person or US resident for purposes of Regulation S under the US Securities Act, the Investment Company Act and CFTC Rule 4.7;

**US Securities Act** means the US Securities Act of 1933, as amended;

**UCITS** means an undertaking for collective investment in transferable securities under the UCITS Directive;

**UCITS Directive** means Directive 2009/65/EC of the European Parliament and of the European Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as may be amended or supplemented from time to time;

**United States** or **U.S.** means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;

**USD** means the United States Dollar, the currency of the United States of America;

**Valuation Day** means each Business Day as at which the Net Asset Value will be determined for each Class in each Sub-Fund, as it is stipulated in the relevant Special Section.

## **2. THE COMPANY**

- 2.1 The Company is an open-ended investment company organised under the laws of Luxembourg as a *société d'investissement à capital variable (SICAV)*, incorporated under the form of a public limited liability company (*société anonyme*) on 10 March 2011 and authorised under Part I of the 2010 Law.
- 2.2 The Company is registered with the Luxembourg trade and companies register under number B 159458. Its original Articles have been published in the *Mémorial* on 21 March 2011.
- 2.3 The registration of the Company pursuant to the 2010 Law constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or as to the assets held in the various Sub-Funds.
- 2.4 The Company is subject to the provisions of the 2010 Law and of the 1915 Law insofar as the 2010 Law does not derogate therefrom.
- 2.5 The Shares are not currently listed on the Luxembourg Stock Exchange but the Board may decide to quote one or more Classes of a Sub-Fund on the Luxembourg or any other stock exchange or regulated market.
- 2.6 There is no limit to the number of Shares which may be issued. Shares will be issued to subscribers in registered form.
- 2.7 Shares will have the same voting rights and will have no pre-emptive subscription rights. In the event of the liquidation of the Company, each Share is entitled to its proportionate share of the Company's assets after payment of the Company's debts and expenses, taking into account the Company's rules for the allocation of assets and liabilities.
- 2.8 The initial subscribed capital of the Company is EUR 31,000. The minimum share capital of the Company must at all times be EUR 1,250,000 which amount has to be attained within six months of the Company's authorisation to operate as a UCI. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

## **3. SHARES**

- 3.1 Any individual or legal entity may acquire Shares in the Company against payment of the subscription price as defined in Section 10.2 of the General Section.
- 3.2 The Shares confer no preferential subscription rights at the time of the issue of new Shares.
- 3.3 Shares are issued in registered form, with no par value and are recorded in a register. Shareholders receive written confirmation of their registration but no certificate representing Shares will be issued. All Shares must be fully paid up. Fractional Shares may be issued up to two decimal places and will carry rights in proportion to the fraction of a Share they represent but will carry no voting rights.
- 3.4 Within the same Sub-Fund, all Shares have equal rights as regards voting rights in all general meetings of Shareholders and in all meetings of the Sub-Fund concerned.
- 3.5 The Special Sections indicate, for each Sub-Fund, which Classes are available and their characteristics.
- 3.6 For each Sub-Fund, the Directors or the Management Company may, in respect of Shares in one or several Class(es) if any, decide to close subscriptions temporarily or definitively, including those arising from the conversion of Shares of another Class or another Sub-Fund.

3.7 Shareholders may ask for the conversion of all or a part of their Shares from one Class to another in compliance with the provisions of Section 12 of the General Section.

#### **4. SUB-FUNDS, CLASSES AND SERIES**

4.1 The Company has an umbrella structure consisting of one or several Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund. The investment objective, policy, as well as the risk profile and other specific features of each Sub-Fund are set forth in the relevant Special Section.

4.2 The Company is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting-up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively dedicated to the satisfaction of the rights of the Shareholders relating to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-Fund.

4.3 Within a Sub-Fund, the Board may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features. The Company may establish, within a Sub-Fund or its Classes if any, separate Series of Shares in its books to accurately measure the Net Asset Value per Share of each Series. A separate Net Asset Value per Share will be calculated for each Class/Series.

4.4 The Company may, at any time, create additional Classes whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated, if necessary, or supplemented by a new Special Section.

4.5 For the time being, the Company is comprised of the following Sub-Funds:

- Alma Capital Investment Funds – Alma US Convertible Fund
- Alma Capital Investment Funds – Alma Eikoh Japan Large Cap Equity Fund
- Alma Capital Investment Funds – Alma Zazove Global Convertible Fund
- Alma Capital Investment Funds – Alma Perdurance European Equity Fund
- Alma Capital Investment Funds – Alma Recurrent Global Natural Resources Fund
- Alma Capital Investment Funds – Alma Hotchkis & Wiley Global Value Equity Fund

4.6 Each Sub-Fund is described in more detail in the relevant Special Section.

4.7 Investors should note however that some Sub-Funds or Classes may not be available to all investors. The Company retains the right to offer only one or more Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve one or more Sub-Funds or Classes to certain Institutional Investors only.

#### **5. INVESTMENT RESTRICTIONS**

The Company and the Sub-Funds are subject to the restrictions and limits set forth below.

The management of the assets of the Sub-Funds will be undertaken within the following investment restrictions. **A Sub-Fund may be subject to additional investment restrictions set out in the relevant Special Section. In the case of any conflict, the provisions of the relevant Special Section will prevail.**

#### 5.1 Eligible Investments and investment restrictions

- (a) The Company's investments may consist solely of:
- (i) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an EU Member State;
  - (ii) Transferable Securities and Money Market Instruments dealt in on another Regulated Market in an EU Member State;
  - (iii) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange or dealt in on a Regulated Market in a non EU Member State;
  - (iv) recently issued Transferable Securities and Money Market Instruments, provided that:
    - (A) the terms of issue include an undertaking that application will be made for admission to official listing on any stock exchange or on another Regulated Market referred to in Sections 5.1(a)(i), (ii) and (iii);
    - (B) such admission is secured within a year of issue;
  - (v) units of UCITS and/or Other UCIs within the meaning of Article 1(2) points (a) and (b) of the UCITS Directive, whether or not established in an EU Member State, provided that no more than 10% of the net assets of the UCITS or Other UCI whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or UCIs;
  - (vi) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
  - (vii) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in Sections 5.1(a)(i), (ii) and (iii); and/or OTC Derivatives, provided that:
    - (A) the underlying consists of instruments covered by this Section 5.1(a), financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives as stated in the relevant Special Section,
    - (B) the counterparties to OTC Derivative transactions are First Class Institutions, and
    - (C) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and
    - (D) under no circumstances will these operations cause a Sub-Fund to diverge from its investment objectives;

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

- (A) issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
- (B) issued by an undertaking, any securities of which are dealt in on a stock exchange or dealt in on Regulated Markets referred to in Sections 5.1(a)(i), (ii) or (iii); or
- (C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
- (D) issued by other bodies provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR 10,000,000.-) and which (I) presents and publishes its annual accounts in accordance with Directive 2013/34/EU, (II) is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or (III) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(b) However, each Sub-Fund may:

- (i) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under Section 5.1(a) above;
- (ii) hold liquid cash and cash equivalents on an ancillary basis such restriction may exceptionally and temporarily be exceeded if the Board considers this to be in the best interest of the Shareholders;
- (iii) may acquire movable and immovable property which is essential for the direct pursuit of its business;

provided that collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

## 5.2 Risk diversification

- (a) In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-Fund in Transferable Securities or Money Market Instruments of one and the same issuer. The total value of the Transferable Securities and Money Market Instruments of each issuer in which more than 5% of the net assets are invested, must not exceed 40% of the value of the net assets of the respective Sub-Fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- (b) The Company is not permitted to invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.

- (c) Notwithstanding the individual limits laid down in Sections 5.2(a), (b) and 5.5(l) below, a Sub-Fund may not combine:
- (i) investments in Transferable Securities or Money Market Instruments issued by,
  - (ii) deposits made with, and/or
  - (iii) exposures arising from OTC Derivative transactions undertaken with a single body,

in excess of 20% of its net assets.

- (d) The 10% limit set forth in Section 5.2(a) above can be raised to a maximum of 25% in case of certain bonds issued by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the law, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's failure. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-Fund.
- (e) The 10% limit set forth in Section 5.2(a) above can be raised to a maximum of 35% for Transferable Securities and Money Market Instruments that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international bodies of which one or more EU Member States are members.
- (f) Transferable Securities and Money Market Instruments which fall under the special ruling given in Sections 5.2(d) and 5.2(e) are not counted when calculating the 40% risk diversification ceiling mentioned in Section 5.2(a).
- (g) The limits provided for in Sections 5.2(a) to 5.2(e) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body will under no circumstances exceed in total 35% of the net assets of a Sub-Fund.
- (h) Companies which are included in the same Group of Companies for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this Section 5.2.
- (i) A Sub-Fund may invest, on a cumulative basis, up to 20% of its net assets in Transferable Securities and Money Market Instruments of the same group.

### 5.3 Exceptions which can be made

- (a) Without prejudice to the limits laid down in Section 5.8 the limits laid down in Section 5.2 are raised to a maximum of 20% for investment in shares and/or bonds issued by the same body if, according to the relevant Special Section, the investment objective and policy of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
- (i) its composition is sufficiently diversified;
  - (ii) the index represents an adequate benchmark for the market to which it refers;

- (iii) it is published in an appropriate manner.

The above 20% limit may be raised to a maximum of 35%, but only in respect of a single body, where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant.

- (b) **The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, by certain non-OECD Member State (currently Brazil, Indonesia, Russia and South Africa), or by public international bodies in which one or more EU Member States are members. These securities must be divided into at least six different issues, with securities from one and the same issue not exceeding 30% of the total net assets of a Sub-Fund.**

#### 5.4 Investment in UCITS and/or other UCIs

- (a) A Sub-Fund may acquire the units of UCITS and/or other UCIs referred to in Section 5.1(a)(v) provided that no more than 20% of its net assets are invested in units of a single UCITS or other UCI. If a UCITS or other UCI has multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.
- (b) Investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.
- (c) When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Section 5.2.
- (d) When a Sub-Fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, (regarded as more than 10% of the voting rights or share capital), that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such UCITS and/or other UCIs.
- (e) If a Sub-Fund invests a substantial proportion of its assets in other UCITS and/or other UCIs, the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest, will be disclosed in the relevant Special Section.
- (f) In the annual report of the Company it will be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or other UCIs in which the Sub-Fund invests.

#### 5.5 Investments in financial derivative instruments and use of EPM Techniques

- (a) The Company must employ (i) a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio and (ii) a process for accurate and independent assessment of the value of OTC Derivatives.



- (b) Each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.
- (c) The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This will also apply to the following subparagraphs.
- (d) A Sub-Fund may invest, as a part of its investment policy, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 5.2 above. Under no circumstances will these operations cause a Sub-Fund to diverge from its investment objectives as laid down in the Prospectus and the relevant Special Section. When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section 5.2 above.
- (e) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this Section 5.5.
- (f) The Company's annual reports will contain, in respect of each Sub-Fund that has entered into financial derivative instruments over the relevant reporting period, details of:
- the underlying exposure obtained through financial derivative instruments;
  - the identity of the counterparty(ies) to these financial derivative instruments;
  - the type and amount of collateral received to reduce counterparty risk exposure.
- (g) The Sub-Funds are authorised to employ techniques and instruments relating to Transferable Securities or Money Market Instruments subject to the following conditions:
- (i) they are economically appropriate in that they are realised in a cost-effective way;
- (ii) they are entered into for one or more of the following specific aims:
- (A) reduction of risk;
  - (B) reduction of cost;
  - (C) generation of additional capital or income for the relevant Sub-Fund with a level of risk which is consistent with the its risk profile and applicable risk diversification rules;
- (iii) their risks are adequately captured by the Company's risk management process.
- (h) The Company and any of its Sub-Funds may in particular enter into swap contracts relating to any financial instruments or indices, including TRS. TRS involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRS or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.
- (i) The Company and any of its Sub-Funds may employ SFT for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFT and TRS for investment purposes will be in line with the risk profile and risk diversification rules

applicable to any Sub-Fund. Investors should refer to the risk factors in 7.3(f) for special risk considerations applicable to the use of SFT and TRS.

- (j) The efficient portfolio management techniques (**EPM Techniques**) that may be employed by the Sub-Funds in accordance with Section 5.5(g) above include SFT, securities lending, Repurchase Transaction agreements and reverse Repurchase Transaction agreements.
- (k) The use of EPM Techniques by the Sub-Funds is subject to the following conditions:
  - (i) When entering into a securities lending agreement, the Company should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.
  - (ii) When entering into a reverse Repurchase Transaction agreement, the Company should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse Repurchase Transaction agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse Repurchase Transaction agreement should be used for the calculation of the net asset value of the relevant Sub-Fund.
  - (iii) When entering into a Repurchase Transaction agreement, the Company should ensure that it is able at any time to recall any securities subject to the Repurchase Transaction agreement or to terminate the Repurchase Transaction agreement into which it has entered.
- (l) Fixed-term Repurchase Transaction and reverse Repurchase Transaction agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
- (m) The maximum and expected proportion of assets that may be subject to SFT or TRS, as well as the types of assets that are subject to SFT or TRS will be set out for each Sub-Fund in the relevant Special Section. If a Sub-Fund intends to make use of SFT or TRS, the relevant Special Section will include the disclosure requirements of the SFTR.
- (n) All revenues resulting from the EPM Techniques will be returned in full to the Company after deduction of the direct and indirect operational costs/fees of the Depositary, the Investment Manager and the Management Company. The revenues (if any) linked to the TRS will be fully allocated to the relevant Sub-Fund and will be included in the valuation of the TRS. The remaining income (if any) will accrue to the relevant Sub-Fund. Unless explicitly specified in the relevant Special Section, none of the SFT Agents or counterparties to the OTC Derivatives (including TRS) are affiliated with the Company or the Management Company.
- (o) The counterparties to SFTs and TRS will be selected and approved through a robust selection process and will be credit institutions or investment firms established in OECD Member States and have a minimum rating of BBB- or the equivalent by any leading rating agencies. The Management Company's risk management team will assess the creditworthiness of the proposed counterparties, their expertise in the relevant transactions, the costs of service and others factors related to best execution in line with the Management Company's execution policy.
- (p) Assets subject to SFT and TRS will be safe-kept by the Depositary.
- (q) The Company's annual report will include the following information:
  - (i) the exposure obtained through EPM Techniques;

- (ii) the identity of the counterparty(ies) to these EPM Techniques;
  - (iii) the type and amount of collateral received by the Company to reduce counterparty exposure;
  - (iv) the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
  - (v) where collateral received from an issuer has exceeded 20% of the NAV of a Sub-Fund, the identity of that issuer; and
  - (vi) whether a Sub-Fund has been fully collateralised in securities issued or guaranteed by an EU Member State or its local authorities, by certain non-OECD Member State (currently Brazil, Indonesia, Russia and South Africa), or by public international bodies in which one or more EU Member States are members.
- (r) The Company's semi-annual and annual reports will contain additional information on the use of SFTs and TRS in line with Section A of the Annex of the SFTR.
- (s) The counterparty risk arising from OTC Derivatives and EPM Techniques may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.
- (t) The counterparty risk of a Sub-Fund vis-à-vis a counterparty is equal to the positive mark-to-market value of all OTC Derivatives and EPM Techniques transactions with that counterparty, provided that:
- if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC Derivative and EPM Techniques transactions with the same counterparty may be netted; and
  - if collateral is posted in favour of a Sub-Fund and such collateral complies at all times with the criteria set out in Section 5.5(v) below, the counterparty risk of such Sub-Fund is reduced by the amount of such collateral.
- (u) The risks linked to the use of SFT and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in section 7.
- (v) Collateral received by a Sub-Fund must comply at all times with the following principles:
- (i) Liquidity – any collateral received other than cash should be 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. Collateral received should also comply with the acquisition limits set out in Section 5.8(b).
  - (ii) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
  - (iii) Issuer credit quality – collateral received should be of high quality.

- (iv) Correlation – the collateral received by the Sub-Fund 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.
- (v) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of OTC Derivative or EPM Techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State or its local authorities, by certain non-OECD Member State (currently Brazil, Indonesia, Russia and South Africa), or by public international bodies in which one or more EU Member States are members, provided the Sub-Fund receives securities from at least six different issues and any single issue does not account for more than 30% of the Sub-Fund's NAV. Accordingly a Sub-Fund may be fully collateralised in securities issued or guaranteed by an eligible OECD Member State.
- (vi) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (vii) Collateral received should be capable of being fully enforced by the Company for the account of the Sub-Fund at any time without reference to or approval from the counterparty.
- (w) The Sub-Funds will only accept the following assets as collateral:
  - (i) Liquid assets. Liquid assets include not only cash and short term bank certificates, but also money market instruments such as defined within the UCITS Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.
  - (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
  - (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
  - (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
  - (v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
  - (vi) Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.
- (x) For the purpose of Section 5.5(v) above, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.
- (y) Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.

- (z) Cash collateral received by a Sub-Fund can only be:
- (i) placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
  - (ii) invested in high-quality government bonds;
  - (iii) used for the purpose of reverse Repurchase Transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
  - (iv) invested in Short-Term Money Market Funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.
- (aa) Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary, or one of its correspondents or sub-custodians provided that the Depositary has delegated the custody of the collateral to such correspondent or sub-custodian. Collateral posted in favour of a Sub-Fund under a security interest arrangement (eg, a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (bb) Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral under paragraph (w) above.
- (cc) In accordance with Circular 14/592, the Management Company has a haircut policy relating to the classes of assets received as collateral by or for the account of the Company. Haircuts are assessed based on collateral credit quality, price volatility and tenor.

According to the Management Company's haircut policy, the following minimum discounts will be applied:

	Type of collateral	Minimum discount
(i)	Liquid assets. Liquid assets include not only cash and short term bank certificates, but also money market instruments such as defined within the UCITS Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.	0%
(ii)	Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.	1%

(iii)	Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.	2%
(iv)	Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.	4%
(v)	Bonds issued or guaranteed by first class issuers offering an adequate liquidity.	5%
(vi)	Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index	5%

In addition to the above haircuts, additional haircuts of a minimum of 1% may be applied to any collateral in a different currency to that of the original transaction.

## 5.6 Master- Feeder structures

To the extent permissible under the 2010 Law, a Sub-Fund may act as a feeder fund (the **Feeder**), ie invest its assets in another UCITS or the sub-funds thereof.

The following conditions apply: the Feeder must invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS (the **Master**), which is not itself a Feeder nor holds units/shares of a Feeder. The Sub-Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:

- (a) ancillary liquid assets in accordance with Article 41(2) second paragraph of the 2010 Law;
- (b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) point g) and Article 42 (2) and (3) of the 2010 Law;
- (c) movable and immovable property which is essential for the direct pursuit of the Company's business.

When a Sub-Fund qualifying as a Feeder invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares/units of the Master.

Should a Sub-Fund qualify as a Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, will be disclosed in the Sub-Fund's relevant Special Section. In its annual report, the Company will include a statement on the aggregate charges of both the Feeder and the Master.

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

## 5.7 Tolerances and multiple compartment issuers

If, because of reasons beyond the control of the Company or the exercising of subscription rights, the limits mentioned in this Section 5 are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interest of the Shareholders.

Provided that they continue to observe the principles of risk diversification, newly established Sub-Funds may deviate from the limits mentioned under Sections 5.2, 5.3 and 5.4 for a period of six months following the date of their initial launch.

If an issuer of Eligible Investments is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under Sections 5.2, 5.3(a) and 5.4 above

## 5.8 Investment prohibitions

The Company is prohibited from:

- (a) acquiring equities with voting rights that would enable the Company to exert a significant influence on the management of the issuer in question;
- (b) acquiring, for the account of each Sub-Fund, more than
  - (i) 10% of the non-voting equities of one and the same issuer,
  - (ii) 10% of the debt securities issued by one and the same issuer,
  - (iii) 10% of the Money Market Instruments issued by one and the same issuer, or
  - (iv) 25% of the units of one and the same UCITS and/or other UCI.

The limits laid down in (ii), (iii), and (iv) may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

Transferable Securities and Money Market Instruments which, in accordance with article 48, paragraph 3 of the 2010 Law are issued or guaranteed by an EU Member State or its local authorities, by another Member State of the OECD or which are issued by public international organisations of which one or more EU Member States are members are exempted from the above limits.

- (c) selling short Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under Sections 5.1(a)(v), (vii) and (viii);
- (d) acquiring precious metals or related certificates;
- (e) investing in real estate and purchasing or selling commodities or commodities contracts;
- (f) borrowing on behalf of a particular Sub-Fund, unless:
  - (i) the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;
  - (ii) the loan is only temporary and does not exceed 10% of the net assets of the Sub-Fund in question;
  - (iii) pursuant to the conditions set out under Section 5.1(b).
- (g) granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under Sections 5.1(a)(v), (vii) and (viii); that are not fully paid up.

## 5.9 Cross-investments between Sub-Funds

A Sub-Fund (the **Cross-investing Sub-Fund**) may invest in one or more other Sub-Funds. Any acquisition of Shares of another Sub-Fund (the **Target Sub-Fund**) by the Cross-investing Sub-Fund is subject to the following conditions:

- (a) the Target Sub-Fund may not invest simultaneously in the Cross-investing Sub-Fund;
- (b) the Target Sub-Fund may not invest more than 10% of its net assets in UCITS (including other Sub-Funds) or other UCIs referred to in Section 5.1(a)(v) of the General Section;
- (c) the voting rights attached to the Shares of the Target Sub-Fund are suspended during the investment by the Cross-investing Sub-Fund;
- (d) the value of the Share of the Target Sub-Fund held by the Cross-investing Sub-Fund are not taken into account for the purpose of assessing the compliance with the EUR 1,250,000 minimum capital requirement; and
- (e) duplication of management, subscription or redemption fees is prohibited.

## 5.10 Sustainability

The Management Company is a signatory of the United Nations Principles for Responsible Investment and has implemented a sustainability risks policy that can be consulted on its website.

The details on the integration of sustainability risks and/or on the promotion of environmental or social characteristics for each particular sub-fund can be found in the relevant special section for each Sub-Fund.

## 6. CO-MANAGEMENT AND POOLING

- 6.1 To ensure effective management of the Company, the Directors and the Management Company may decide to manage all or part of the assets of one or more Sub-Funds with those of other Sub-Funds in the Company (pooling technique) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the **Party(ies) to the co-managed assets**) for which the Depositary is the appointed depositary bank. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective prospectuses and investment restrictions.
- 6.2 Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets and liabilities will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets.
- 6.3 Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets.
- 6.4 The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Directors and the Management Company may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets.



- 6.5 Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets.
- 6.6 All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.
- 6.7 In the case of an infringement of the investment restrictions affecting a Sub-Fund of the Company, when such a Sub-Fund takes part in co-management and even if the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Directors and the Management Company will ask the manager to reduce the investment in question in proportion to the participation of the Sub-Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Sub-Fund.
- 6.8 When the Company is liquidated or when the Directors and the Management Company decide, without prior notice, to withdraw the participation of the Company or a Sub-Fund from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.
- 6.9 The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management inasmuch as all Parties to the co-managed assets have the same depository bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each Sub-Fund of the Company will be constantly separated and identifiable.

## **7. RISK FACTORS**

Before making an investment decision with respect to Shares of any Class in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the relevant Special Section, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this Section and under the Sections "Specific risk factors" and "Profile of the typical investor" in the relevant Special Section. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-Fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Sub-Fund. The price of the Shares of any Sub-Fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class or any amount at all.

The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus, the Key Investor Information Document and the relevant Special Section are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

An investment in the Shares of any Sub-Fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making any investment decision with respect to the Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective investor's personal circumstances.

The Company is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-Funds). Shares may however be redeemed on each Valuation Day. Substantial redemptions of Shares by Shareholders within a limited period of time could cause the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Share could make it more difficult for the Company to generate trading profits or recover losses.

#### 7.1 Investments in emerging markets

- (a) In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-Funds.
- (b) Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Company may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.
- (c) Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment will be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the **Counterparty**) through whom the relevant transaction is effected might result in a loss being suffered by Sub-Funds investing in emerging market securities.
- (d) The Company will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.
- (e) There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.

- (f) In some Eastern European countries there are uncertainties with regard to the ownership of properties. As a result, investing in Transferable Securities issued by companies holding ownership of such Eastern European properties may be subject to increased risk.
- (g) Furthermore, investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing ownership of Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of the effective state regulation and enforcement, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default whilst such assets are in its custody.
- (h) Some Sub-Funds may invest a significant portion of their net assets in securities or corporate bonds issued by companies domiciled, established or operating in Russia as well as, as the case may be, in debt securities issued by the Russian government as more fully described for each relevant Sub-Fund in its investment policy.

## 7.2 **Investments in small capitalisation companies**

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

## 7.3 **Use of financial derivative instruments**

While the prudent use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-Fund.

### (a) **Market risk**

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Sub-Fund's interests.

### (b) **Control and monitoring**

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

(c) **Liquidity risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Company will only enter into OTC Derivatives if it is allowed to liquidate such transactions at any time at fair value).

(d) **Counterparty risk**

A Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-Fund may enter into swap arrangements or other derivative techniques as specified in the relevant Special Section, each of which exposes the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the investment restrictions laid down in under Section 5 of the General Section.

(e) **Different maturity**

The Company will enter into derivative contracts with a maturity date which may be different from the maturity date of the Sub-Fund. There can be no assurance that any new derivative contracts entered into will have terms similar to those previously entered into.

(f) **TRS**

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Sub-Fund engages in OTC Derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Company and any of its Sub-Funds enters into TRS on a net basis, the two payment streams are netted out, with the Company or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. TRS entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRS is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Company's or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Company or Sub-Fund is contractually entitled to receive.

(g) **Other risks**

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC

Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Sub-Fund's investment objective.

(h) **Particular risks in relation to interest rate, currency, total return swaps, credit default swaps and interest rate swaptions**

A Sub-Fund may, as a part of its investment policy, enter into interest rate, currency, total return swaps, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Sub-Fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments.

Where a Sub-Fund enters into interest rate or total return swaps on a net basis, the two payment streams are netted out, with each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Interest rate or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Sub-Fund is contractually obligated to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate or total return swap defaults, in normal circumstances the Sub-Fund's risk of loss consists of the net amount of interest or total return payments that the Sub-Fund is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

A Sub-Fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

A Sub-Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-Fund may buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swaps purchased may not, at any time, exceed the net assets of the relevant Sub-Fund.

A Sub-Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swaps may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

A Sub-Fund may also purchase a receiver or payer interest rate swaption contract. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate, currency, total return swaps, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Company, Management Company and/or Investment Manager (if any) is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-Fund would be less favourable than it would have been if these investment techniques were not used.

#### **7.4 Use of structured finance securities**

Structured finance securities include, without limitation, securitised credit and portfolio credit-linked notes.

Securitised credit is securities primarily serviced, or secured, by the cash flows of a pool of receivables (whether present or future) or other underlying assets, either fixed or revolving. Such underlying assets may include, without limitation, residential and commercial mortgages, leases, credit card receivables as well as consumer and corporate debt. Securitised credit can be structured in different ways, including "true sale" structures, where the underlying assets are transferred to a special purpose entity, which in turn issues the asset-backed securities, and "synthetic" structures, in which not the assets, but only the credit risks associated with them are transferred through the use of derivatives, to a special purpose entity, which issues the securitised credit.

Portfolio credit-linked notes are securities in respect of which the payment of principal and interest is linked directly or indirectly to one or more managed or unmanaged portfolios of reference entities and/or assets ("reference credits"). Upon the occurrence of a credit-related trigger event ("credit event") with respect to a reference credit (such as a bankruptcy or a payment default), a loss amount will be calculated (equal to, for example, the difference between the par value of an asset and its recovery value).

Securitised credit and portfolio credit-linked notes are usually issued in different tranches: Any losses realised in relation to the underlying assets or, as the case may be, calculated in relation to the reference credits are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so forth.

Accordingly, in the event that (a) in relation to securitised credit, the underlying assets do not perform and/or (b) in relation to portfolio credit-linked notes, any one of the specified credit events occurs with respect to one or more of the underlying assets or reference credits, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. In addition the value of structured finance securities from time to time, and consequently the Net Asset Value per Share, may be adversely affected by macro economic factors such as adverse changes affecting the sector to which the underlying assets or reference credits belong (including industry sectors, services and real estate), economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets (for example, project finance loans are subject to risks connected to the respective project). The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets or reference credits. The degree to which

any particular asset-backed security or portfolio credit-linked note is affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

Exposure to structured finance securities may entail a higher liquidity risk than exposure to sovereign bonds which may affect their realisation value.

#### **7.5 Specific restrictions in connection with the Shares**

Investors should note that there may be restrictions in connection with the subscription, holding and trading in the Shares. Such restrictions may have the effect of preventing the investor from freely subscribing, holding or transferring the Shares. In addition to the features described below, such restrictions may also be caused by specific requirements such as a Minimum Subscription Amount or due to the fact that certain Sub-Funds may be closed to additional subscriptions after the Initial Offering Period or Initial Offering Date.

#### **7.6 EPM Techniques/SFTs**

A Sub-Fund may enter into Repurchase Transaction agreements and reverse Repurchase Transaction agreements as a buyer or as a seller subject to the conditions and limits set out in Section 5.5. If the other party to a Repurchase Transaction agreement or reverse Repurchase Transaction agreement should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Sub-Fund in connection with the Repurchase Transaction agreement or reverse Repurchase Transaction agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the Repurchase Transaction agreement or reverse Repurchase Transaction agreement or its failure otherwise to perform its obligations on the repurchase date, the Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the Repurchase Transaction agreement or reverse Repurchase Transaction agreement.

A Sub-Fund may enter into securities lending transactions subject to the conditions and limits set out in Section 5.5. If the other party to a securities lending transaction should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Sub-Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

The Sub-Funds will only use Repurchase Transaction agreements, reverse Repurchase Transaction agreements or securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Sub-Fund. When using such techniques, the Sub-Funds will comply at all times with the provisions set out in Section 5.5. The risks arising from the use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Except if mentioned expressly in a Special Section relating to a Sub-Fund, the use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and securities lending transactions is generally not expected to have a material adverse impact on a Sub-Fund's performance, subject to the above described risk factors.

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

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

The Company may enter into securities lending, Repurchase Transactions or reverse Repurchase Transactions with other companies. Affiliated counterparties, if any, will perform their obligations under any securities lending, Repurchase Transactions or reverse Repurchase Transactions concluded with the Company in a commercially reasonable manner. In addition, the Management Company or Investment Manager (if any) will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-Fund and its Shareholders. However, Shareholders should be aware that the Management Company or Investment Manager (if any) may face conflicts between its role and its own interests or that of affiliated counterparties.

The use of EPM Techniques, in particular with respect to the quality of the collateral received and/or reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the Sub-Fund concerned.

In respect of Margin Lending Transactions, the Company and any of its Sub-Funds cannot extend credit and may only receive credit subject to the restrictions in the General Section.

The use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and securities lending transactions is generally not expected to have a material adverse impact on a Sub-Fund's performance or risk profile, subject to the above described risk factors.

## **7.7 Taxation**

Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of a Sub-Fund, capital gains within a Sub-Fund, whether or not realised, income received or accrued or deemed received within a Sub-Fund etc, and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.

Shareholders should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-Fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in a Sub-Fund in relation to their direct investments, whereas the performance of a Sub-Fund, and subsequently the return Shareholders receive after redemption of the Shares, might partially or fully depend on the performance of underlying assets. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.

Shareholders who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, Shareholders should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

## **7.8 Change of law**

The Company must comply with regulatory constraints, such as a change in the laws affecting the investment restrictions and limits applicable to UCITS, which might require a change in the investment policy and objectives followed by a Sub-Fund.

## **7.9 Political factors**

The performance of the Shares or the possibility to purchase, sell, or redeem may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements.



### 7.10 Fees in underlying undertakings for collective investment

A Sub-Fund may, subject to the conditions set out in Section 5 of the General Section, invest in other undertakings for collective investment which may be operated and/or managed by the Management Company or Investment Manager (if any) or a related party. As an investor in such other undertakings for collective investment, in addition to the fees, costs and expenses payable by a Shareholder in the Sub-Funds, each Shareholder will also indirectly bear a portion of the fees, costs and expenses of the underlying undertakings for collective investment, including management, investment management and, administration and other expenses.

### 7.11 Transaction costs

Where a Sub-Fund does not adjust its subscription and redemption prices by an amount representing the duties and charges associated with buying or selling underlying assets this will affect the performance of that Sub-Fund.

### 7.12 Nominee arrangements

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

### 7.13 Sustainability risk

Sustainability risk is defined by the EU Regulation on Sustainable Finance Disclosure (SFDR) as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Whether a sub-fund promotes sustainability factors or not, its investments remain exposed to sustainability risks.

The Management Company, in conjunction with the different Investment Managers, does not consider the principal adverse impacts of their investment decisions on sustainability factors in respect of the different sub-funds on the basis that, in the context of the investment strategies of each sub-fund, it is not possible to conduct detailed diligence on the principal adverse impacts of the investment decisions on sustainability factors.

## 8. BENCHMARKS

In respect of those Special Sections that mention a benchmark index, the Management Company works with the applicable benchmark administrators to confirm that the latter are, or intend to get themselves, included in the register maintained by ESMA under the Regulation (EU) 2016/1011 of the European Parliament and of the Council (the **Benchmark Regulation**). The register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation is available at:

[https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_bench\\_entities](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_bench_entities)

In accordance with Article 28(2) of the Benchmark Regulation, the Management Company has adopted robust written plans to cover the cases where the publication of a benchmark index has been stopped or where major changes in that benchmark have occurred. The Board, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

The benchmarks listed in the table below are provided by the entity specified next to it in their capacity as administrators (as defined in the Benchmark Regulation) of the relevant benchmark (each a **Benchmark Administrator**). The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmark Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant Benchmark Administrator in the table below.

<b>Sub-Fund</b>	<b>Benchmark</b>	<b>Benchmark Administrator</b>	<b>Status of the Benchmark Administrator</b>
Alma Perdurance European Long Only Fund	MSCI Europe ex-UK Total Return Net Index (EUR)	MSCI Limited	MSCI Limited is authorized as a benchmark administrator in the United Kingdom and is regulated by the United Kingdom's Financial Conduct Authority. It is considered a third country administrator vis-a-vis the EU and will not appear on the ESMA register per Article 36 of the Benchmark Regulation unless and until the EU grants the United Kingdom equivalence or until MSCI Limited is granted endorsement or recognition.

## 9. CONFLICTS OF INTEREST AND RESOLUTION OF CONFLICT

9.1 The Directors, the Management Company, the Investment Manager, the Administrative Coordinator, the Depositary and the Administrative Agent may, in the course of their business, have potential conflicts of interests with the Company. Each of the Directors, the Management Company, the Investment Manager, the Administrative Coordinator, the Depositary and the Administrative Agent will have regard to their respective duties to the Company and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, each of such persons has undertaken or will be requested by the Company to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

### **Interested dealings**

9.2 The Directors, the Management Company, the Investment Manager, the Administrative Coordinator, the Depositary and the Administrative Agent and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees or delegates (together the **Interested Parties** and, each, an **Interested Party**) may:

- contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-Fund, or be interested in any such contracts or transactions;
- invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
- deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Management Company or Investment Manager (if any) or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.

9.3 Any assets of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activities).

9.4 There will be no obligation on the part of any Interested Party to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party.

9.5 Any such transactions must be carried out as if effected on normal commercial terms negotiated at arm's length.

9.6 All revenues arising from EPM Techniques, net of direct and indirect operational costs, will be accrued to the relevant Sub-Fund.

9.7 The Management Company or Investment Manager (if any) may execute trades through their affiliates on both a principal and agency basis, as may be permitted under applicable law. As a result of these business relationships, the Management Company or Investment Manager's affiliates will receive, among other benefits, commissions and mark-ups/mark-downs, and revenues associated with providing prime brokerage and other services.

9.8 Certain conflicts of interest may arise from the fact that affiliates of the Investment Manager, the Administrative Coordinator or the Management Company may act as sub-distributors of interests in respect of the Company or certain Sub-Funds. Such entities may also enter into arrangements under which they or their affiliates will issue and distribute notes or other securities the performance of which will be linked to the relevant Sub-Fund.

## **10. SUBSCRIPTIONS**

### **10.1 General**

(a) During the Initial Offering Period or Initial Offering Date, the Company is offering the Shares under the terms and conditions as set forth in the relevant Special Section. The Company may offer Shares in one or several Sub-Funds or in one or more Classes in each Sub-Fund.

(b) After the Initial Offering Period or Initial Offering Date, the Company may offer Shares of each existing Class in each existing Sub-Fund on any day that is a Valuation Day, as stipulated in the relevant Special Section. The Board may decide that for a particular Class or Sub-Fund no further Shares will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section). The Company may, in its discretion, create new Sub-Funds with different investment objectives and policies or new Classes within each Sub-Fund at any time, details of which will be set forth in the relevant Special Section.

(c) Subscriptions are accepted in amounts and for a particular number of Shares.

## 10.2 **Subscription price**

Shareholders or prospective investors may subscribe for a Class in a Sub-Fund at a subscription price per Share equal to:

- (a) the Initial Subscription Price where the subscription relates to the Initial Offering Period or Initial Offering Date; or
- (b) the Net Asset Value per Share as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date) of Shares of an existing Class in an existing Sub-Fund.

If an investor wants to subscribe Shares, a Subscription Fee of up to 5% of the Net Asset Value per Share may be added to the subscription price to be paid by the investor. The applicable Subscription Fee will be stipulated in the relevant Special Section. This fee will be payable to sub-distributors or intermediaries.

## 10.3 **Subscription procedure**

- (a) Subscriptions may be made only by investors who are not Restricted Persons by:
  - (i) submitting a written subscription request to the sub-distributor(s) or the Administrative Agent to be received by the Administrative Agent at the time specified in the relevant Special Section; and
  - (ii) delivering to the account of the Depositary cleared funds for the full amount of the subscription price (plus any Subscription Fee) of the Shares being subscribed for pursuant to the subscription request, within such number of Business Days as specified in the relevant Special Section.
- (b) If the Depositary does not receive the funds in time the purchase order may be cancelled and the funds returned to the investor without interest. The Depositary may, but is not obliged, contact the relevant investor so as to arrange for the payment default to be remedied before deciding to cancel a purchase order. The investor will be liable for the costs of late or non-payment in which the case the Directors and the Management Company will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Company due to late or non-payment of the subscription proceeds in respect of subscription applications received may be borne by the Company.
- (c) Subscribers for Shares must make payment in the Reference Currency of the relevant Sub-Fund or Class. Subscription monies received in another currency than the Reference Currency will be exchanged by the Administrative Agent on behalf of the investor at normal banking rates. Any such currency transaction will be effected with the Administrative Agent at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.
- (d) Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Sub-Funds and/or Classes offered by the Company.
- (e) In the event that the subscription order is incomplete (ie, all requested papers are not received by the Administrative Agent by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.
- (f) The minimum amount (if any) of Shares of the same Class or of the same Sub-Fund for which a subscriber or Shareholder must subscribe in each Sub-Fund is the amount stipulated in the relevant Special Section as the Minimum Subscription Amount.

- (g) In the event that the Company or the Management Company decides to reject any application to subscribe for, or the purchase of Shares, the monies transferred by a relevant applicant will be returned to the prospective investor without undue delay (unless otherwise provided for by law or regulations).
- (h) The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder, after deduction of the Subscription Fee (if any), divided by:
  - (i) the Initial Subscription Price, in relation to subscriptions made in connection with an Initial Offering Period or Initial Offering Date, or
  - (ii) the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund as of the relevant Valuation Day.
- (i) With regard to the Initial Offering Period or Initial Offering Date, Shares will be issued on the first Business Day following the end of the Initial Offering Period or Initial Offering Date.
- (j) The Company will recognise rights to fractions of Shares up to two decimal places. Any purchases of Shares will be subject to the ownership restrictions set forth below. Fractional Shares will have no right to vote (except to the extent their number is so that they represent a whole Share, in which case, they confer a voting right) but will have the right to participate pro rata in distributions and allocation of liquidation proceeds.

#### 10.4 **Subscription in kind**

At the entire discretion of the Board, Shares may be issued against contributions of transferable securities or other eligible assets to the Sub-Funds provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in the Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Sub-Fund, as described above, will be valued separately in a special report of the Auditor. These contributions in kind of assets are not subject to brokerage costs. The Board will only have recourse to this possibility (a) at the request of the relevant investor and (b) if the transfer does not negatively affect current Shareholders. All costs related to a contribution in kind will be paid for by the Sub-Fund concerned provided that they are lower than the brokerage costs which the Sub-Fund would have paid if the assets concerned had been acquired on the market. If the costs relating to the contribution in kind are higher than the brokerage costs which the Sub-Fund concerned would have paid if the assets concerned had been acquired on the market, the exceeding portion thereof will be supported by the subscriber.

#### 10.5 **Anti-money laundering and terrorist financing requirements**

- (a) The Directors will apply national and international regulations for the prevention of money laundering, including but not limited to, the law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time (the 2004 Law), the Grand-Ducal Regulation of 10 February 2010 providing detail on certain provisions of the 2004 Law, CSSF Regulation No 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing and relevant CSSF circulars in the field of the prevention of money laundering and terrorist financing. In particular, anti-money laundering and counter terrorist financing measures in force in Luxembourg require the Company, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers and any agents (if applicable)) and the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.
- (b) Measures aimed towards the prevention of money laundering require a detailed verification of an investor's identity in accordance with the applicable laws and regulations in Luxembourg in relation to money laundering obligations, as amended from time to time. The Company (and the Administrative Agent acting on behalf of the Company) reserves the right to request such information as is necessary

to verify the identity of an investor in conformity with the before mentioned laws and regulations. In the event of delay or failure by the investor to produce any information required for verification purposes, the Company (and each of the intermediaries and Administrative Agent acting on behalf of the Company) may refuse to accept the application and all subscription monies.

#### 10.6 **Institutional investors**

- (a) The sale of Shares of certain Sub-Funds or Classes may be restricted to institutional investors within the meaning of Article 174 of the 2010 Law (**Institutional Investors**) and the Company will not issue or give effect to any transfer of Shares of such Sub-Funds or Classes to any investor who may not be considered as an Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for Shares of a Sub-Fund or Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Sub-Fund or Class restricted to Institutional Investors is not an Institutional Investor, the Company will, at its discretion, either redeem the relevant Shares in accordance with the provisions under Section 11 of the General Section or convert such Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors (provided there exists such a Sub-Fund or Class with similar characteristics) and which is essentially identical to the restricted Sub-Fund or Class in terms of its investment object (but, for avoidance of doubt, not necessarily in terms of the fees and expenses payable by such Sub-Fund or Class), unless such holding is the result of an error of the Company, the Management Company or their agents, and notify the relevant Shareholder of such conversion.
- (b) Considering the qualification of a subscriber or a transferee as Institutional Investor, the Company will have due regard to the guidelines or recommendations (if any) of the competent supervisory authorities.
- (c) Institutional Investors subscribing in their own name, but on behalf of a third party, may be required to certify that such subscription is made either on behalf of an Institutional Investor or on behalf of a Retail Investor provided in the latter case that the Institutional Investor is acting within the framework of a discretionary management mandate and that the Retail Investor has no right to lay a claim against the Company or the Management Company for direct ownership of the Shares.

#### 10.7 **Ownership restrictions**

A person who is a Restricted Person may not invest in the Company. In addition, each applicant for Shares must certify that it is either (a) not a U.S. Person or (b) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act. The Company may, in its sole discretion, decline to accept an application to subscribe for Shares from any prospective subscriber, including any Restricted Person or any person failing to make the certification set forth in (a) or (b) above. Shares may not be transferred to or owned by any Restricted Person. The Shares are subject to restrictions on transferability to a U.S. Person and may not be transferred or re-sold except pursuant to an exemption from registration under the Securities Act or an effective registration statement under the Securities Act. In the absence of an exemption or registration, any resale or transfer of any of the Shares in the United States or to U.S. Persons may constitute a violation of US law (See "Important Information – Selling Restrictions"). It is the responsibility of the Board to verify that Shares are not transferred in breach of the above. The Company reserves the right to redeem any Shares which are or become owned, directly or indirectly, by a Restricted Person or (i) in the case of Regulation S Shares, are or become owned, directly or indirectly, by a U.S. Person or (ii) in the case of 144 A Securities, are or become owned, directly or indirectly, by a U.S. Person who is not a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act in accordance with the Articles. Any prospective investor will only be issued Shares for Institutional Investor if such person provides a representation that it qualifies as an Institutional Investor pursuant to Luxembourg law.

## 11. REDEMPTIONS

### 11.1 Redemptions

- (a) Shares in a Sub-Fund may be redeemed at the request of the Shareholders on any day that is a Valuation Day. Redemption request must be sent in writing to the sub-distributor(s) or the Administrative Agent or such other place as the Company or the Management Company may advise. Redemption request must be received by the Administrative Agent at the time specified in the relevant Special Section on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day.
- (b) The Board, the Management Company, the Administrative Agent and the sub-distributor(s) will ensure that the relevant cut-off time for requests for redemption as indicated in the Special Section of each Sub-Fund are strictly complied with and will therefore take all adequate measures to prevent practices known as **Late Trading**.
- (c) Requests for redemption must be for either a number of Shares or an amount denominated in the Reference Currency of the Class of the Sub-Fund.
- (d) A Shareholder who redeems his Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the applicable Valuation Day for the relevant Class in the relevant Sub-Fund (less, as the case may be, a Redemption Fee as stipulated in the relevant Special Section and any tax or duty imposed on the redemption of the Shares).
- (e) Payment of the redemption proceeds will be made generally within such number of Business Days as specified in the relevant Special Section. Where a Shareholder redeems Shares that he has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Company will be entitled to retain such excess for the benefit of the Company.
- (f) If as a result of a redemption, the value of a Shareholder's holding would become less than the relevant Minimum Holding Amount as stipulated in the relevant Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the redemption of all his Shares.
- (g) Redemption of Shares may be suspended for certain periods of time as described under Section 27 of the General Section.
- (h) The Company reserves the right to reduce proportionally all requests for redemptions in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the Shares so tendered for redemption exceed 10% (ten per cent) of the total net assets of that specific Sub-Fund. The portion of the non-proceeded redemptions will then be proceeded by priority on subsequent Valuation Days (but subject always to the foregoing 10% (ten per cent) limit).
- (i) Redemption requests must be addressed to the Administrative Agent. Redemption requests may be submitted by fax, postal mail or agreed STP tool. Redemption requests are irrevocable (unless otherwise provided in respect of a specific Sub-Fund in the relevant Special Section and except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended) and proceeds of the redemption will be remitted to the account indicated by the Shareholder in its redemption request. The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the Administrative Agent may result in the withholding of redemption proceeds.

- (j) If a Shareholder wants to redeem Shares of the Company, a Redemption Fee of up to 0,5% may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Special Section. This fee will be payable to sub-distributors or intermediaries.

## 11.2 **Compulsory redemptions by the Company**

The Company may redeem Shares of any Shareholder if the Directors or the Management Company, whether on its own initiative or at the initiative of a sub-distributor, determines that:

- (a) any of the representations given by the Shareholder to the Company or the Management Company were not true and accurate or have ceased to be true and accurate; or
- (b) the Shareholder is not or ceases to be an Eligible Investor;
- (c) that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders;
- (d) the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders;
- (e) further to the satisfaction of a redemption request received by a Shareholders, the number or aggregate amount of Shares of the relevant Class held by this Shareholder is less than the Minimum Holding Amount.

## 12. **CONVERSIONS**

- 12.1 Unless otherwise stated in the relevant Special Section, Shareholders are allowed to convert all, or part, of the Shares of a given Class into Shares of the same or different Class of that or another Sub-Fund subject to the below provisions. However, the right to convert Shares is subject to compliance with any condition (including any Minimum Subscription Amounts and eligibility requirements) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the applicable Minimum Subscription Amount, the Board may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant Minimum Holding Amount as stipulated in the relevant Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the conversion of all of his Shares. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-Fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section).
- 12.2 If the criteria to become a Shareholder of such other Class and/or such other Sub-Fund are fulfilled, the Shareholder will make an application to convert Shares by sending a written request for conversion to the sub-distributor(s) or the Administrative Agent. Shares may be converted at the request of the Shareholders on any day that is a Valuation Day. The conversion request must be received by the Administrative Agent at the time specified in the relevant Special Section on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day. The conversion request must state the number of Shares of the relevant Classes in the relevant Sub-Fund which the Shareholder wishes to convert.
- 12.3 Investors should note that, in respect of Sub-Funds or Classes which do not have the same NAV calculation frequency, eligible applications for conversion will be processed on the next day which is a Valuation Day for both Sub-Funds or Classes concerned. If there is no common Valuation Day or if, where there is a common Valuation Day, there is no common NAV publication day, in respect of the relevant Sub-funds and/or Classes, conversion will not be possible and any conversion application will be rejected notwithstanding anything to the contrary in this Prospectus.



- 12.4 A Conversion Fee, in favour of the original Sub-Fund or Class, of up to 1% of the Net Asset Value of the new Sub-Fund may be levied to cover conversion costs. The applicable fee, if any, will be stipulated in the relevant Special Section. The same rate of Conversion Fee will be applied to all conversion requests received on the same Valuation Day.
- 12.5 Conversion of Shares will be effected on the Valuation Day, by the simultaneous:
- (a) redemption of the number of Shares of the relevant Class in the relevant Sub-Fund specified in the conversion request at the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund; and
  - (b) issue of Shares on that Valuation Day in the new Sub-Fund or Class, into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Class in the (new) Sub-Fund.
- 12.6 Subject to any currency conversion (if applicable) the proceeds resulting from the redemption of the original Shares will be applied immediately as the subscription monies for the Shares in the new Class or Sub-Fund into which the original Shares are converted.
- 12.7 Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued will be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion will be calculated by the Depositary in accordance with the rules laid down under Section 26 of the General Section.

### **13. TRANSFER OF SHARES**

- 13.1 All transfers of Shares will be effected by a transfer in writing in any usual or common form or any other form approved by the Board and every form of transfer will state the full name and address of the transferor and the transferee. The instrument of transfer of a Share will be signed by or on behalf of the transferor. The transferor will be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Directors may decline to register any transfer of Shares if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class or Sub-Fund as set out in this Prospectus or the relevant Special Section. The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided, however, that such registration will not be suspended for more than 90 days in any calendar year. The Directors may decline to register any transfer of Shares unless the original instruments of transfer, and such other documents that the Directors may require are deposited at the registered office of the Company or at such other place as the Directors may reasonably require, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration as to whether the proposed transferee (i) is a US Person or acting for or on behalf of a US Person, (ii) is a Restricted Person or acting for or on behalf of a Restricted Person or (iii) does qualify as Institutional Investor.
- 13.2 The Directors may decline to register a transfer of Shares:
- (a) if in the opinion of the Directors, the transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax or fiscal consequences to the Company or its Shareholders; or
  - (b) if the transferee is a US Person or is acting for or on behalf of a US Person; or
  - (c) if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or

- (d) in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor;
- (e) in circumstances as set out in Section 14.2 of this General Section; or
- (f) if in the opinion of the Directors, the transfer of the Shares would lead to the Shares being registered in a depository or clearing system in which the Shares could be further transferred otherwise than in accordance with the terms of this Prospectus or the Articles.

#### **14. MARKET TIMING AND LATE TRADING**

- 14.1 Prospective investors and Shareholders should note that the Company may reject or cancel any subscription or conversion orders for any reason and in particular in order to comply with Circular 04/146.
- 14.2 For example, excessive trading of shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as Market Timing, has a disruptive effect on portfolio management and increases the Sub-Funds' expenses. Accordingly, the Company may, in the sole discretion of the Board, or of the Management Company compulsorily redeem Shares or reject any subscription orders and conversions orders from any investor that the Company or the Management Company reasonably believes has engaged in Market Timing activity. For these purposes, the Board and the Management Company may consider an investor's trading history in the Sub-Funds and accounts under common control or ownership.
- 14.3 In addition to the Redemption Fee or Conversion Fee which may be of application to such orders as set forth in the Special Section of the relevant Sub-Fund, the Company and the Management Company may impose a penalty of a maximum of 2% of the Net Asset Value of the Shares subscribed or converted where the Company reasonably believes that an investor has engaged in market timing activity. The penalty will be credited to the relevant Sub-Fund. The Company, the Management Company and the Board will not be held liable for any loss resulting from rejected orders or mandatory redemption.
- 14.4 Furthermore, the Company will ensure that the relevant cut-off time for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

#### **15. MANAGEMENT OF THE COMPANY**

- 15.1 The Company will be managed by the Board. The Board is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of Shareholders fall within the competence of the Board.
- 15.2 The Board will issue, in at least one Sub-Fund, at least one Class S Share, as more fully described in article 13 of the Articles. The holder of Class S Share(s) will be entitled to propose to the general meeting of Shareholders a list containing the names of candidates for the position of Director.
- 15.3 The Board must be composed at all times of five Directors, including two Directors (including the chairman of the Board) appointed out of the list proposed by the holder of Class S Share(s).
- 15.4 The list of candidates proposed by the holder of Class S Share(s) will indicate a number of candidates equal to at least twice the number of Directors to be appointed as Class S Directors.
- 15.5 Any Director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting of Shareholders, provided however that if a Class S Director is removed, the remaining directors must call for an extraordinary general meeting of Shareholders without delay in

order for a new Class S Director to be appointed in his/her place in accordance with the requirements of article 13 of the Articles. The new Class S Director so appointed will be chosen from the candidates on the list presented by the relevant Class.

- 15.6 The Board can validly debate and take decisions only if the majority of its members and at least one Class S Director is present or duly represented. All resolutions of the Board require the positive vote of a majority of the directors present or represented at the Board meeting, including the positive vote of at least one Class S Director.
- 15.7 The Company may indemnify any Director or officer, and his heirs, executors and administrators against expenses reasonably incurred by him or her in connection with any action, suit proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or creditor and from which he or she is not entitled to be indemnified, except in relation to matters as which he or she will be finally adjudged in such action, suit or proceeding to be liable for fraud, bad faith, gross negligence or wilful misconduct; in the event of a settlement, indemnification will be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification will not exclude other rights to which he or she may be entitled.

## **16. MANAGEMENT COMPANY**

- 16.1 The Board has appointed Alma Capital Investment Management to serve as its designated management company within the meaning of article 27 of the 2010 Law pursuant to the Management Company Agreement. The Management Company is governed by Chapter 15 of the 2010 Law.
- 16.2 The Management Company will provide, subject to the overall control of the Board and without limitation, (i) asset management services, (ii) central administration, registrar and transfer agency services and (iii) distribution services to the Company. The rights and duties of the Management Company are further laid down in the 2010 Law.
- 16.3 The Management Company must at all times act honestly and fairly in conducting its activities in the best interest of the Shareholders and in conformity with the 2010 Law, the Prospectus and the Articles.
- 16.4 The Management Company is a company incorporated under Luxembourg law with registered office at 5 rue Aldringen, L-1118 Luxembourg. The Management Company was incorporated for an indeterminate period in Luxembourg on 20 September 2012. The Management Company is registered with the Luxembourg Trade and Companies Register under number B 171608.
- 16.5 The Management Company is vested with the day-to-day administration of the Company. In fulfilling its duties as set forth by the 2010 Law and the Management Company Agreement, Alma Capital Investment Management is authorised, for the purpose of more efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Company and subject to the approval of the CSSF, part or all of its functions and duties to any third party, which, having regard to the nature of the functions and duties to be delegated, must be qualified and capable of undertaking the duties in question. The Management Company will remain liable to the Company in respect of all matters so delegated.
- 16.6 The Management Company will require any such agent to which it intends to delegate its duties to comply with the provisions of the Prospectus, the Articles and the relevant provisions of the Management Company Agreement.
- 16.7 In relation to any delegated duty, the Management Company will implement appropriate control mechanisms and procedures, including risk management controls, and regular reporting processes in order to ensure an effective supervision of the third parties to whom functions and duties have been

delegated and that the services provided by such third party service providers are in compliance with the Articles, the Prospectus and the agreement entered into with the relevant third party service provider.

- 16.8 Alma Capital Investment Management will be careful and diligent in the selection and monitoring of the third parties to whom functions and duties may be delegated and ensure that the relevant third parties have sufficient experience and knowledge as well as the necessary authorisations required to carry out the functions delegated to them.
- 16.9 The following functions have been delegated by the Management Company to third parties: investment management of certain Sub-Funds, administration, as further set forth in this Prospectus and in the Special Sections. The Management Company has appointed RBC Investor Services Bank S.A. to provide share class currency hedging transaction services.
- 16.10 The Management Company (or its delegates) may enter into soft commissions with brokers under which certain business services are obtained from third parties and are paid for by the brokers out of the commissions they receive from transactions of the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Management Company (or its delegates) to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers. The entering into soft commission arrangements is subject to the following conditions:
- (a) the Management Company (and its delegates) will act at all times in the best interest of the Company;
  - (b) the services provided will be in direct relationship to the activities of the Management Company (or its delegates);
  - (c) brokerage commissions on portfolio transactions for the Company will be directed by the Management Company (or its delegates) to broker-dealers that are entities and not to individuals;
  - (d) the Management Company (or its delegates) will provide reports to the Board with respect to soft commissions including the nature of the services it receives; and
  - (e) information concerning the soft commission arrangements will be disclosed in the financial statements of the Company.
- 16.11 The Management Company Agreement has been entered into for an undetermined period of time and may be terminated by either party upon serving to the other a six months' prior written notice.
- 16.12 The Management Company is remunerated out of the Management Fee as set out in Section 23.1(a) of the General Section.
- 16.13 The Management Company's remuneration policy is compliant with applicable laws and regulations and is freely available at the registered office of the Management Company, upon request of an investor as well as on its website ([www.almacapital.com](http://www.almacapital.com)).

## **17. ADMINISTRATIVE COORDINATOR**

- 17.1 Alma Capital Investment Management (the **Administrative Coordinator**) is appointed as administrative coordinator with a view to ensure a smooth cooperation between the Management Company and the service providers of the Company (including in particular the Investment Managers, if any). The Administrative Coordinator will enter into an administrative coordination agreement with the Company and the Management Company (the **Administrative Coordination Agreement**). The

Administrative Coordination Agreement is for an unlimited duration and can be terminated by any party by giving 90 days' prior written notice.

- 17.2 The Administrative Coordinator will assist the Management Company with respect to the creation of new Sub-Funds (selection of investment managers, etc) and the ongoing monitoring of the Investment Managers, if any and other service providers. The Administrative Coordinator will also provide specific advisory services (eg, with a view to ensure that an appropriate level of liquidity is maintained in the portfolio of each Sub-Fund to meet redemption obligations) to each Investment Manager, if any. The function of the Administrative Coordinator is purely advisory and it will not execute or implement the investment policy of the Sub-Funds.
- 17.3 In remuneration of its services, the Administrative Coordinator is entitled to receive the Administrative Coordination Fee as set out in section 23.1(b) of the General Section. However, in accordance with the Administrative Coordination Agreement, it may be agreed between the parties that all or part of the Administration Coordination Fee will be paid to the Management Company.
- 17.4 The Administrative Coordinator is entitled to receive from the Company reimbursement for any reasonable costs or expenses incurred for the set up of the Company.

## **18. INVESTMENT MANAGER**

- 18.1 The Management Company may appoint, with the consent of the Company and subject to compliance with the Prospectus, an Investment Manager to carry out investment management services of each Sub-Fund and to be responsible for the relevant Sub-Fund's investment activities within the parameters and restrictions set out in this Prospectus and the relevant Special Section.
- 18.2 The Investment Manager will provide or procure each Sub-Fund investment management services, pursuant to the provisions of the Investment Management Agreement and in accordance with the investment policy, objective and restrictions of the relevant Sub-Fund as set out in the Articles and Prospectus and with the aim to achieve the Sub-Fund's investment objective.
- 18.3 Any such Investment Manager may be assisted by one or more advisers or delegate its functions, with the approval of the CSSF, the Management Company and the Board, to one or more sub-managers. In case sub-managers/advisers are appointed, the relevant Special Section will be updated.
- 18.4 Unless otherwise stated in the relevant Special Section, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the Company. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the relevant Sub-Funds and provide other investment management services to assist the Company to achieve the investment objectives and policy set out in this Prospectus and any specific investment objective and policy set out in the relevant Special Section. Consequently, the responsibility for making decisions to buy, sell or hold a particular security or asset rests with the Management Company, the Investment Manager and, as the case may be, the relevant sub-investment manager appointed by them, subject always to the overall policies, direction, control and responsibility of the Board and the Management Company.
- 18.5 Investment Managers are remunerated exclusively out of the Management Fee and the Performance Fee as set out in section 23.1(a) of the General Section.

## **19. DEPOSITARY**

- 19.1 BNP Paribas Securities Services, Luxembourg Branch (the **Depositary**) has been appointed depositary of the Company under the terms of a written agreement dated 15 April 2016 between the Depositary, the Management Company and the Company (the **Depositary Bank and Paying Agency Agreement**).

- 19.2 The Depositary is a branch of BNP Paribas Securities Services SCA, a wholly-owned subsidiary of BNP Paribas SA. BNP Paribas Securities Services SCA is a licensed bank incorporated in France as a *Société en Commandite par Actions* (partnership limited by shares) under No.552 108 011, authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered address at 3 rue d'Antin, 75002 Paris, France, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, and which is supervised by the CSSF.
- 19.3 The Depositary performs three types of functions, namely (i) the oversight duties (as defined in article 34(1) of the 2010 Law), (ii) the monitoring of the cash flows of the Company (as set out in article 34(2) of the 2010 Law) and (iii) the safekeeping of the Company's assets (as set out in article 34(3) of the 2010 Law).
- 19.4 Under its oversight duties, the Depositary is required to:
- (a) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the 2010 Law and the Articles;
  - (b) ensure that the value of Shares is calculated in accordance with the 2010 Law and the Articles;
  - (c) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the 2010 Law or the Articles;
  - (d) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits;
  - (e) ensure that the Company's revenues are allocated in accordance with the 2010 Law and its Articles.
- 19.5 The overriding objective of the Depositary is to protect the interests of the Shareholders, which always prevail over any commercial interests.
- 19.6 Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- (a) Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services or its affiliates act as agent of the Company or the Management Company, or
- (b) Selection of BNP Paribas Securities Services or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of Shareholders.

- 19.7 In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- (a) identifying and analysing potential situations of conflicts of interest;
- (b) recording, managing and monitoring any conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - implementing a deontological policy;
  - recording a cartography of conflict of interest permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
  - setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interest, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

19.8 In the event that conflicts of interest arise, the Depositary will undertake to use all reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are treated fairly.

19.9 The Depositary may delegate to third parties the safekeeping of the Company's assets subject to the conditions laid down in applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that may arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

19.10 A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from cristalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of delegates and sub-delegates for safekeeping duties is available on the website <https://securities.cib.bnpparibas/app/uploads/sites/3/2021/03/ucitsv-list-of-delegates-sub-delegates-en-1.pdf>

Such list may be updated from time to time. Updated information on the Depositary's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

Updated information on the Depositary's duties and conflicts of interest that may arise is available to Shareholders, upon request.

- 19.11 The Company and the Management Company acting on behalf of the Company may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Company. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two months. Pending the appointment of a new depositary, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Company's Shareholders.
- 19.12 The Depositary is entitled to receive a remuneration payable in accordance to section 23.1(b) of the General Section.

## **20. ADMINISTRATIVE AGENT**

- 20.1 BNP Paribas Securities Services, Luxembourg Branch, has been appointed administrative agent, registrar and transfer agent of the Company (the **Administrative Agent**) pursuant to an administration agreement (the **Administration Agreement**) entered into between the Company and the Administrative Agent with effect as of 22 October 2012. The Administration Agreement is for an unlimited duration and can be terminated by either party by giving 90-days' prior written notice.
- 20.2 Under the terms of the Administration Agreement, the Administrative Agent will carry out all administrative duties in relation with the central administration of the Company and it will in particular:
- (a) keep the accounts of the Company and make its accounting records available to Shareholders;
  - (b) process the subscription, issue, redemption, conversion, cancellation and transfer of Shares;
  - (c) maintain the register of Shareholders;
  - (d) draw up the Prospectus, financial reports and all other documents relating to investments;
  - (e) send correspondence, financial reports and all other documents intended for Shareholders; and
  - (f) process the calculation of the Net Asset Value.
- 20.3 For the purpose of determining the value of the Assets, the Administrative Agent may, when calculating the Net Asset Value and without prejudice to Section 26 of the General Section, completely and exclusively rely (without any testing) upon the valuations provided by various pricing sources available on the market such as pricing agencies or any other pricing source reasonably considered to be the most reliable for any specific asset (eg, administrators of underlying UCIs, brokers etc) or by any other pricing source indicated by the Company or any price(s)/value(s) instructed by the Company.
- 20.4 It is expressly agreed that, regarding valuation/pricing of the assets of the Company with respect to which no market price or fair value is made available, the Company will select, appoint, and make the necessary contractual arrangements directly with specialised and reputable valuation/pricing providers, specialist consultants or appraisers to ensure that such assets are valued in the best interest of all Shareholders, in full compliance with the requirements of the 2010 Law.
- 20.5 To this end, it is expressly agreed between the Company and the Administrative Agent, that the Company will provide, with the assistance of specialised and reputable service providers, or cause third party specialised and reputable service providers to provide, the Administrative Agent with the pricing/valuation of assets of the Company with respect to which no market price or fair value is made available and the Auditor with appropriate supporting evidence regarding the correctness and accuracy of such pricing/valuation, in accordance with the rules laid down in the Articles or the Prospectus. For the avoidance of doubt, it is hereby expressly agreed that (i) the Administrative Agent will have no



obligation to verify or approve the valuation methodology or criteria applied by the Company or its delegate(s) in relation to the valuation of such assets and that (ii) that the Company will provide upon first request of the Auditor (regardless if the Auditor addressed such a request to the Administrative Agent or not), or cause the relevant third party service providers to provide with any supporting documentation or evidence relating to the pricings/valuations of such assets.

- 20.6 The Company guarantees the Administrative Agent that all assets of the Company are economically valuable, and that their prices can be audited. For unlisted, illiquid or structured assets for which prices are not available, the Company is responsible for delivering reasonably qualified opinions from reputable first class consultants or auditors on (i) the professionalism, reliability and experience of any third party service provider selected from time to time (ii) the valuation processes and methodology used by the Company.
- 20.7 The Administrative Agent will not be liable for the Company's investment decisions nor the consequences of the Company's investment decisions on its performances.
- 20.8 As the Administrative Agent is the Company's service provider, it will not be liable for the Prospectus provisions. Consequently, it will not be liable for any failure of information contained in this entire Prospectus.

## **21. PAYING AGENT**

BNP Paribas Securities Services, Luxembourg Branch, or any other bank mentioned in the periodic reports, will also provide paying agent services.

## **22. SUB-DISTRIBUTORS AND NOMINEES**

- 22.1 The Management Company acts as distributor of the Shares of all Sub-Funds and Classes, and may appoint from time to time one or more sub-distributors.
- 22.2 The Management Company expects that in relation to Shares to be offered to investors the relevant sub-distributor(s) will offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors.
- 22.3 All sub-distributors and nominee service providers must be (i) professionals of the financial sector of a FATF member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law or (ii) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg law because of internal group policies. Whilst and to the extent that such arrangements subsist, such underlying investors will not appear in the Register of the Company and will have no direct right of recourse against the Company.
- 22.4 Any sub-distributor or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the Register. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the Register in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements.
- 22.5 The terms and conditions of the sub-distribution agreement(s) with arrangements to provide nominee services will have to allow that an underlying investor who (i) has invested in the Company through a nominee and (ii) is not a Restricted Person, may at any time, require the transfer in his name of the

Shares subscribed through the nominee. After this transfer, the investor will receive evidence of his shareholding at the confirmation of the transfer from the nominee.

22.6 Investors may subscribe directly to the Company without having to go through the Management Company or a sub-distributor or nominee.

22.7 The Management Company, the Administrative Coordinator or an Investment Manager may enter into retrocession fee arrangements with any sub-distributor in relation to their distribution services, provided that any such arrangement will be designed to enhance the quality of the service to the investors. Any such retrocession fee will be paid by the Management Company, the Administrative Coordinator or the relevant Investment Manager out of its own remuneration.

## **23. FEES, COMPENSATION AND EXPENSES**

### **23.1 Fees**

#### **(a) Management Fee**

The aggregate amount of management fees (to the exclusion of the Performance Fee) payable out of the assets of each Sub-Fund to the Management Company and the Investment Manager of the relevant Sub-Fund (if any) and disclosed in respect of each Class in the relevant Special Section is referred to as the **Management Fee**. The Management Fee is based on the average Net Asset Value of the relevant Sub-Fund over the relevant quarter and is payable monthly in arrears.

In addition to a portion of the Management Fee, the Investment Manager of a Sub-Fund may be entitled to receive all or part of the Performance Fee as set out in the relevant Special Section.

The Management Fee and the Performance Fee will be paid out of the assets of the relevant Sub-Fund to the Management Company. The Management Company will allocate the Management Fee and the Performance Fee between itself and the Investment Manager of the relevant Sub-Fund (if any) on the basis of allocation rules as agreed from time to time in writing between the Company, the Management Company and the Investment Manager. The Management Company may instruct from time to time in writing the Company to pay out all or part of the Management Fee and the Performance Fee directly to the Investment Manager of the relevant Sub-Fund.

#### **(b) Administrative Coordination Fee**

The Administrative Coordinator is entitled to receive an administrative coordination fee (the **Administrative Coordination Fee**) at such percentage per annum as set out in respect of each Sub-Fund in the Special Sections for the provision of coordination services between the Management Company and the Company's service providers (in particular each Sub-Fund's Investment Manager, if any).

However, in accordance with the Administrative Coordination Agreement, it may be agreed between the parties that all or part of the Administration Coordination Fee will be paid to the Management Company.

#### **(c) Remuneration payable to the Depositary and the Administrative Agent**

The Depositary and Administrative Agent is entitled to receive, out of the assets of each Class within each Sub-Fund, a fee corresponding to a maximum of 1% p.a. of the Net Asset Value.

In addition, the Depositary and Administrative Agent is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and for charges of any correspondents (as the case may be).

## 23.2 Operating expenses

- (a) The Company pays out of the assets of the relevant Sub-Fund all expenses payable by the Company which will include but not be limited to formation expenses, Management Fee, Administrative Coordination Fee, Shareholder Servicing Fee, fees and expenses payable to its Auditors and accountants, Depositary and its correspondents, Administrative Agent, any pricing agencies, any permanent representatives in places of registration, as well as any other agent employed by the Company, the remuneration of the Directors and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services consultants, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements and the costs of any reports to Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, the costs for the publication of the issue and redemption prices, the costs of buying and selling assets (including but not limited to transactions costs, brokerage fees, execution and research costs), interest, bank charges, postage, telephone and telex. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.
- (b) Furthermore, charges and expenses borne by the Company will include all reasonable charges and expenses paid on its behalf, including but not limited to, telephone, fax, telex, telegram and postage expenses incurred by the Depositary on purchases and sales of portfolio securities in one or several Sub-Funds.
- (c) The Company may indemnify any director, manager, authorised officer, employee or agent, their heirs, executors and administrators, to the extent permitted by law, for all costs and expenses borne or paid by them in connection with any claim, action, law suit or proceedings brought against them in their capacity as director, manager, authorised officer, employee or agent of the Company, except in cases where they are ultimately sentenced for fraud, bad faith, gross negligence or wilful misconduct. In the case of an out of court settlement, such indemnification will only be granted if the Company's legal adviser is of the opinion that the director, manager, authorised officer, employee or agent in question did not fail in his duty and only if such an arrangement is approved beforehand by the Board. The right to such indemnification does not exclude other rights to which the director, manager, authorised officer, employee or agent are entitled. The rights to indemnification provided herein are separate and do not affect the other rights to which a director, managing director, authorised officer, employee or agent may now or later be entitled and will be maintained for any person who has ceased their activity as director, manager, authorised officer, employee or agent.
- (d) Expenses for the preparation and presentation of a defence in any claim, action, lawsuit or proceedings brought against a Director, manager, authorised officer, employee or agent will be advanced by the Company, prior to any final decision on the case, on receipt of a commitment by or on behalf of the Director, manager, authorised officer, employee or agent to repay this amount if it ultimately becomes apparent that they are not entitled to indemnification. Notwithstanding the above, the Company may take out the necessary insurance policies on behalf of Directors, managers, authorised officers, employees or agents of the Company.
- (e) Additionally, each Sub-Fund will pay for the costs and expenses directly attributable to it. Costs and expenses that cannot be attributed to a given Sub-Fund will be allocated to the Sub-Funds on an equitable basis, in proportion to their respective net assets.
- (f) All revenues arising from EPM Techniques, net of direct and indirect operational costs, will be accrued to the relevant Sub-Fund.

### 23.3 **Formation and launching expenses**

Expenses incurred in connection with the incorporation of the Company and the creation of the initial Sub-Fund, including those incurred in the preparation and publication of the first Prospectus and Key Investor Information Document, as well as the taxes, duties and any other publication expenses will be borne by the Company and will be written off over a period of five (5) years.

Expenses incurred in connection with the creation of any additional Sub-Fund may be borne by the relevant Sub-Fund and will be written off over a period of five (5) years.

## 24. **DIVIDENDS**

24.1 Each year the general meeting of Shareholders will decide, based on a proposal from the Board, for each Sub-Fund, on the use of the balance of the year's net income of the investments. A dividend may be distributed, either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR 1,250,000.

24.2 Over and above the distributions mentioned in the preceding paragraph, the Board may decide to the payment of interim dividends in the form and under the conditions as provided by law.

24.3 The Board may issue distribution Shares and accumulation Shares within the Classes of each Sub-Fund, as indicated in the Special Sections. Accumulation Shares capitalise their entire earnings whereas distribution Shares pay dividends.

24.4 For Classes entitled to distribution, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Board within the conditions set forth by law.

24.5 Payments will be made in the Reference Currency of the relevant Sub-Fund. With regard to Shares held through Euroclear or Clearstream (or their successors), dividends will be paid by bank transfer to the relevant bank. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund.

24.6 Dividends may be declared separately in respect of each Sub-Fund by a resolution of the Shareholders of the Sub-Fund concerned at the annual general meeting of Shareholders.

## 25. **TAX ASPECTS**

### 25.1 **Luxembourg**

The Company's assets are subject to a subscription tax (*taxe d'abonnement*) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of Sub-Funds or Classes reserved to Institutional Investors), payable quarterly. In case some Sub-Funds are invested in other Luxembourg UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Law, no annual subscription tax (*taxe d'abonnement*) is due from the Company on the portion of assets invested therein. Are exempt from the subscription tax, Sub-Funds (i) whose Shares are listed or traded on at least one stock exchange or another Regulated Market operating regularly, recognised and open to the public and (ii) whose exclusive objective is to replicate the performance of one or more indices, it being understood that this condition of exclusive objective does not prevent the management of liquid assets, if any, on an ancillary basis, or the use of techniques and instruments used for hedging or for purposes of efficient portfolio management. In case of several Classes within a Sub-Fund, the exemption only applies to the Classes fulfilling condition (i) above. Moreover, and without prejudice to additional or alternative criteria that may be determined by applicable law, the index referred to under condition (ii) above must represent an adequate benchmark for the market to which it refers and must be published in an appropriate manner.

The Company's income is not taxable in Luxembourg. Income received from the Company may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the Company.

Under current legislation, Shareholders are not subject to any capital gains, income, withholding, or other taxes in Luxembourg with respect to their investment in the Shares, except for (i) those Shareholders resident of, or established in Luxembourg, or having a permanent establishment or permanent representative in Luxembourg, or (ii) the withholding tax referred to in Section 25.2 of the General Section.

The information referred to in the previous paragraph is limited to the taxation of the Shareholders in Luxembourg in respect of their investment in the Shares and does not include an analysis of their taxation resulting from the underlying investments of the Company.

## **25.2 EU tax considerations for individuals resident in the EU or in certain third countries or dependent or associated territories**

Under the EU Savings Directive, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. Income deriving from interest and similar income, either directly or through certain entities, distributed by UCITS may in certain circumstances fall within the scope of the EU Savings Directive. In addition, income realised upon the sale, refund or redemption of shares or units in UCITS, may fall within the scope of the EU Savings Directive if such UCITS invest directly or indirectly, via other undertakings for collective investment or entities, more than 40 % of their assets in debt claims.

For a transitional period Austria is allowed (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 10 November 2015, the Council of the European Union adopted a Council Directive repealing the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and new automatic exchange of information regimes to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) and the standard for automatic exchange of financial account information in tax matters developed by the OECD (commonly referred to as the Common Reporting Standard), which are generally broader in scope than the EU Savings Directive, although they do not impose withholding taxes.

The foregoing is only a summary of the implications of the EU Savings Directive, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the EU Savings Directive.

## **25.3 Other jurisdictions**

Interest, dividend and other income realised by the Company on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Company will bear since the amount of the assets to be invested in various countries and the ability of the Company to reduce such taxes is not known.

The information set out above is a summary of those tax issues which could arise in Luxembourg and does not purport to be a comprehensive analysis of the tax issues which could affect a prospective subscriber. It is expected that Shareholders may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the tax consequences for each prospective investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances. Investors should consult their professional advisors on the possible tax or other consequences of buying, holding, transferring or selling the Company's Shares under the laws of their countries of citizenship, residence or domicile.

#### **25.4 Future changes in applicable law**

The foregoing description of Luxembourg tax consequences of an investment in, and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Shareholders to increased income taxes.

THE INFORMATION SET OUT ABOVE IS A SUMMARY OF THOSE TAX ISSUES WHICH COULD ARISE IN LUXEMBOURG AND DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OF THE TAX ISSUES WHICH COULD AFFECT A PROSPECTIVE SUBSCRIBER.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.

#### **26. CALCULATION OF THE NET ASSET VALUE**

26.1 The Company, each Sub-Fund, each Class and each Series have a Net Asset Value determined in accordance with the Articles. The reference currency of the Company is the Euro. The Net Asset Value of each Sub-Fund will be calculated in the Reference Currency of the relevant Sub-Fund or Class, as it is stipulated in the relevant Special Section, and will be determined by the Administrative Agent as of each Valuation Day as stipulated in the relevant Special Section, by calculating the aggregate of:

- (a) the value of all assets of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Articles; less
- (b) all the liabilities of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-Fund, which fees have accrued but are unpaid on the relevant Valuation Day.

26.2 The Net Asset Value per Share will be calculated in the Reference Currency of the relevant Sub-Fund and will be determined by the Administrative Agent as of the Valuation Day of the relevant Sub-Fund by dividing the Net Asset Value of the relevant Sub-Fund by the number of Shares which are in issue on such Valuation Day in the relevant Sub-Fund (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

26.3 If the Sub-Fund has more than one Class in issue, the Administrative Agent will calculate the Net Asset Value for each Class by dividing the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class by the number of Shares of such Class in the relevant Sub-Fund which are in issue on such Valuation Day (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

- 26.4 The Net Asset Value per Share may be rounded down to two decimal places.
- 26.5 The allocation of assets and liabilities of the Company between Sub-Funds (and within each Sub-Fund between the different Classes) will be effected so that:
- (a) The subscription price received by the Company on the issue of Shares, and reductions in the value of the Company as a consequence of the redemption of Shares, will be attributed to the Sub-Fund (and within that Sub-Fund, the Class) to which the relevant Shares belong.
  - (b) Assets acquired by the Company upon the investment of the subscription proceeds and income and capital appreciation in relation to such investments which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) will be attributed to such Sub-Fund (or Class in the Sub-Fund).
  - (c) Assets disposed of by the Company as a consequence of the redemption of Shares and liabilities, expenses and capital depreciation relating to investments made by the Company and other operations of the Company, which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) will be attributed to such Sub-Fund (or Class in the Sub-Fund).
  - (d) Where the use of foreign exchange transactions, instruments or financial techniques relates to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) the consequences of their use will be attributed to such Sub-Fund (or Class in the Sub-Fund).
  - (e) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques relate to more than one Sub-Fund (or within a Sub-Fund, to more than one Class), they will be attributed to such Sub-Funds (or Classes, as the case may be) in proportion to the extent to which they are attributable to each such Sub-Fund (or each such Class).
  - (f) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques cannot be attributed to a particular Sub-Fund they will be divided equally between all Sub-Funds or, in so far as is justified by the amounts, will be attributed in proportion to the relative Net Asset Value of the Sub-Funds (or Classes in the Sub-Fund) if the Company, in its sole discretion, determines that this is the most appropriate method of attribution.
  - (g) Upon payment of dividends to the Shareholders of a Sub-Fund (and within a Sub-Fund, to a specific Class) the net assets of this Sub-Fund (or Class in the Sub-Fund) are reduced by the amount of such dividend.
- 26.6 The assets of the Company will be valued as follows:
- (a) The value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable (including reimbursements of fees and expenses payable by any UCI in which the Company may invest), prepaid expenses and cash dividends declared and interest accrued but not yet collected, will be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value will be arrived at after deducting such amounts as the Board may consider appropriate to reflect the true value of these assets.
  - (b) Transferable Securities and Money Market Instruments listed on an official stock exchange or dealt on any other Regulated Market will be valued at their last available price in Luxembourg on the Valuation Day and, if the security or Money Market Instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation will be based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Board.

- (c) Unlisted securities and securities or Money Market Instruments not traded on a stock exchange or any other Regulated Market as well as listed securities and securities or Money Market Instruments listed on a Regulated Market for which no price is available, or securities or Money Market Instruments whose quoted price is, in the opinion of the Board, not representative of actual market value, will be valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Board.
- (d) Transferable Securities or Money Market Instruments denominated in a currency other than the relevant Sub-Fund's valuation currency will be converted at the average exchange rate of the currency concerned applicable on the Valuation Day.
- (e) The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.
- (f) The liquidation value of futures, spot, forward or options contracts that are not traded on stock exchanges or other Regulated Markets will be equal to their net liquidation value determined in accordance with the policies established by the Board on a basis consistently applied to each type of contract. The liquidation value of futures, spot, forward or options contracts traded on stock exchanges or other Regulated Markets will be based on the latest available price for these contracts on the stock exchanges and Regulated Markets on which these options, spot, forward or futures contracts are traded by the Company; provided that if an options or futures contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract will be determined by the Board in a fair and reasonable manner.
- (g) Swaps are valued at their fair value based on the last known closing price of the underlying security.
- (h) UCIs are valued on the basis of their last available net asset value in Luxembourg. As indicated below, this net asset value may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.
- (i) Liquid assets and Money Market Instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs.
- (j) Any other securities and assets are valued in accordance with the procedures put in place by the Board and with the help of specialist valuers, as the case may be, who will be instructed by the Board to carry out the said valuations.

26.7 The Board may adjust the value of any investment if, having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant consideration, they consider that such adjustment is required to reflect the fair value thereof.

26.8 Where the value of any investment is not ascertainable as described above, the value will be the probable realisation value estimated by the Board with care and in good faith or by a competent person.

26.9 The Board may, at its discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects the value generally or in particular markets or market conditions and is in accordance with the good practice.

26.10 In the context of Sub-Funds which invest in other UCIs, valuation of their assets may be complex in some circumstances and the administrative agents of such UCIs may be late or delay communicating the relevant net asset values. Consequently, the Administrative Agent, under the responsibility of the



Board, may estimate the assets of the relevant Sub-Funds as of the Valuation Day considering, among other things, the last valuation of these assets, market changes and any other information received from the relevant UCIs. In this case, the Net Asset Value estimated for the Sub-Funds concerned may be different from the value that would have been calculated on the said Valuation Day using the official net asset values calculated by the administrative agents of the UCIs in which the Sub-Fund invested. Nevertheless, the Net Asset Value calculated using this method will be considered as final and applicable despite any future divergence.

- 26.11 For the purpose of determining the value of the Company's assets, the Administrative Agent, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error or negligence on its part, upon the valuations provided either (i) by the Board, (ii) by various pricing sources available on the market such as pricing agencies (ie, Bloomberg, Reuters, Interactive Data Corporation, etc) or administrators of underlying UCIs, (iii) by prime brokers and brokers, or (iv) by (a) specialist(s) duly authorised to that effect by the Board. In particular, for the valuation of any assets for which market quotations or fair market values are not publicly available (including but not limited to non listed structured or credit-related instruments and other illiquid assets), the Administrative Agent will exclusively rely on valuations provided either by the Board or by third party pricing sources appointed by the Board under its responsibility or other official pricing sources like UCIs' administrators and others like Telekurs, Bloomberg, Reuters, Interactive Data Corporation and will not check the correctness and accuracy of the valuations so provided. If the Board gives instructions to the Administrative Agent to use a specific pricing source, the Board undertakes to make its own prior due diligence on such agents as far as its competence, reputation, professionalism are concerned so as to ensure that the prices which will be given to the Administrative Agent are reliable and the Administrative Agent will not, and will not be required to, carry out any additional due diligence or testing on any such pricing source.
- 26.12 If one or more sources of quotation is/are not able to provide relevant valuations to the Administrative Agent, the latter is authorised to not calculate the Net Asset Value and, consequently, not to determine subscription, redemption and conversion prices. The Administrative Agent will immediately inform the Board if such a situation arises. If necessary, the Board may decide to suspend the calculation of the Net Asset Value in accordance with the procedures described in Section 27 of the General Section.

**27. SUSPENSION OF DETERMINATION OF THE NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION OF SHARES**

- 27.1 The Company or the Management Company may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-Fund or Class, the issue of the Shares of such Sub-Fund or Class to subscribers and the redemption of the Shares of such Sub-Fund or Class from its Shareholders as well as conversions of Shares of any Class in a Sub-Fund:
- (a) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the Sub-Fund or of the relevant Class, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund or of the relevant Class are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
  - (b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board, disposal of the assets of the Sub-Fund or of the relevant Class is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
  - (c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the Sub-Fund or of the relevant Class or if, for any reason beyond the

responsibility of the Board, the value of any asset of the Sub-Fund or of the relevant Class may not be determined as rapidly and accurately as required;

- (d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Sub-Fund's assets cannot be effected at normal rates of exchange;
- (e) when the Board so decides, provided that all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (A) upon publication of a notice convening a general meeting of Shareholders of the Company or of a Sub-Fund for the purpose of deciding on the liquidation, dissolution, the merger or absorption of the Company or the relevant Sub-Fund and (B) when the Board is empowered to decide on this matter, upon their decision to liquidate, dissolve, merge or absorb the relevant Sub-Fund;
- (f) (to the extent that it is permissible under the 2010 Law, for a Sub-Fund to act as Feeder to a Master) following the suspension of (A) the calculation of the net asset value per share/unit, (B) the issue, (C) the redemption and/or (D) the conversion of the shares/units issued within the Master in which the Sub-Fund invests;
- (g) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Sub-Fund; or
- (h) if, in exceptional circumstances, the Board determines that suspension of the determination of Net Asset Value is in the interest of Shareholders; or
- (i) during a period where the relevant indices underlying the derivative instruments which may be entered into by the Sub-Funds of the Company are not compiled or published.

27.2 Any such suspension may be notified by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby. The Company will notify Shareholders requesting redemption of their Shares of such suspension.

## **28. GENERAL INFORMATION**

### **28.1 Auditor**

PricewaterhouseCoopers Société Coopérative has been appointed as Auditor of the Company.

### **28.2 Fiscal year**

The fiscal year of the Company starts on 1 January and the accounts of the Company are closed as at 31 December each year.

### **28.3 Reports and notices to Shareholders**

- (a) Audited annual reports of the end of each fiscal year will be established as at 31 December of each year, and, for the first time as per 31 December 2011. In addition, unaudited semi-annual reports will be established as per the last day of the month of June and for the first time as per 30 June 2012. Those financial reports will provide for information on each of the Sub-Fund's assets as well as the consolidated accounts of the Company and be made available to the Shareholders free of charge at the registered office of the Company.
- (b) The financial statements of each Sub-Fund will be established in the Reference Currency of the Sub-Fund but the consolidated accounts will be in Euro.

- (c) Audited annual reports will be published within four months following the end of the accounting year and unaudited semi-annual reports will be published within two months following the end of period to which they refer.
- (d) Information on the Net Asset Value, the subscription price (if any) and the redemption price may be obtained at the registered office of the Company.

#### 28.4 **Shareholders' meetings**

- (a) The annual general meeting of the Shareholders in the Company will be held at the registered office of the Company or on the place specified in the convening notice on the third Wednesday in April of each year at 3.00 p.m.
- (b) Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) will be mailed to each registered Shareholder at least eight days prior to the meeting and will be published to the extent required by Luxembourg law in the *Mémorial* and in any Luxembourg and other newspaper(s) that the Board may determine.
- (c) Such notices will contain the agenda, the date and place of the meeting, the conditions of admission to the meeting and they will refer to the applicable quorum and majority requirements. The meetings of Shareholders of Shares of a particular Sub-Fund may decide on matters which are relevant only for the Sub-Fund concerned.
- (d) The convening notice to a general meeting may provide that the quorum and majority requirements will be assessed against the number of Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting (the **Record Date**) in which case, the right of any Shareholder to participate in the meeting will be determined by reference to his/her/its holding as at the Record Date.

#### 28.5 **Documents available to Shareholders**

- (a) The following documents will also be available for inspection by Shareholders during normal business hours on any Business Day at the registered office of the Company:
  - the Articles;
  - the Management Company Agreement;
  - the Administrative Coordination Agreement;
  - the Investment Management Agreement(s);
  - the Depositary Bank and Paying Agency Agreement;
  - the Administration Agreement;
  - the Distribution Agreement and any sub-distribution agreement; and
  - the most recent annual and semi-annual financial statements of the Company
- (b) The above documents may be amended from time to time by all the parties involved.
- (c) A copy of the Prospectus, Key Investor Information Document, the most recent financial statements and the Articles may be obtained free of charge upon request at the registered office of the Company.

## 28.6 Changes of address

Shareholders must notify the Administrative Agent in writing, at the address indicated above, of any changes or other account information.

## 28.7 Complaints

Information regarding the Management Company's internal complaint handling procedures is available on request at its e-mail or postal address (see below) as well as on the Company website ([www.almacapital.com](http://www.almacapital.com)).

Investors have the possibility to lodge their complaints:

- at the registered office of the Management Company:  
  
Alma Capital Investment Management  
5 rue Aldringen  
L-1118 Luxembourg  
Grand Duchy of Luxembourg  
at the following email address: [compliance@almacapital.com](mailto:compliance@almacapital.com)
- and/or directly with financial intermediaries, such as local sub-distributors and/or paying agents of the relevant country of distribution, who will escalate the complaint(s) to the Management Company.

## 29. LIQUIDATION AND MERGER OF SUB-FUNDS OR CLASSES

### 29.1 Dissolution of the Company

- (a) The duration of the Company is not limited by the Articles. The Company may be wound up by decision of an extraordinary general meeting of Shareholders. If the total net assets of the Company falls below two-thirds of the minimum capital prescribed by law (i.e. EUR 1,250,000), the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed and which will pass resolutions by simple majority of the Shares represented at the meeting.
- (b) If the total net assets of the Company fall below one-fourth of the minimum capital prescribed by law, the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the voting rights represented at the meeting.
- (c) The meeting must be convened so that it is held within a period of 40 days from the date of ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.
- (d) If the Company is dissolved, the liquidation will be carried out by one or several liquidators appointed in accordance with the provisions of the 2010 Law. The decision to dissolve the Company will be published in the *Mémorial* and two newspapers with adequate circulation, one of which must be a Luxembourg newspaper. The liquidator(s) will realise each Sub-Fund's assets in the best interests of the Shareholders and apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Shareholders of the relevant Sub-Fund according to their respective prorata. Any amounts unclaimed by the Investors at the closing of the liquidation will be deposited with the *Caisse de Consignation* in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they will be forfeited.

- (e) As soon as the decision to wind up the Company is made, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited and will be deemed void.

## 29.2 Liquidation of Sub-Funds or Classes

- (a) If, for any reason, the net assets of a Sub-Fund or of any Class fall below the equivalent of EUR 5,000,000, or if a change in the economic or political environment of the relevant Sub-Fund or Class may have material adverse consequences on the Sub-Fund or Class's investments, or if an economic rationalisation so requires, the Board may decide on a compulsory redemption of all Shares outstanding in such Sub-Fund or Class on the basis of the Net Asset Value per Share (after taking account of current realisation prices of the investments as well as realisation expenses), calculated as of the day the decision becomes effective. The Company will serve a notice to the holders of the relevant Shares at the latest on the effective date for the compulsory redemption, which will indicate the reasons of and the procedure for the redemption operations. Registered Shareholders will be notified in writing. Unless the Board decides otherwise in the interests of, or in order to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charge. However, the liquidation costs will be taken into account in the redemption and conversion price. Any amounts unclaimed by the Investors at the closing of the liquidation will be deposited with the *Caisse de Consignation* in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they will be forfeited.
- (b) Notwithstanding the powers granted to the Board as described in the previous paragraph, a general meeting of Shareholders of a Sub-Fund or Class may, upon proposal of the Board, decide to repurchase all the Shares in such Sub-Fund or Class and to reimburse the Shareholders on the basis of the Net Asset Value of their Shares (taking account of current realisation prices of the investments as well as realisation expenses) calculated as of the Valuation Day on which such decision will become effective. No quorum will be required at this general meeting and resolutions will be passed by a simple majority of the shareholders present or represented, provided that the decision does not result in the liquidation of the Company.

- (c) All the Shares redeemed will be cancelled.

## 29.3 Merger of the Company and the Sub-Funds

- (a) In accordance with the provisions of the 2010 Law and of the Articles, the Board may decide to merge or consolidate the Company with, or transfer substantially all or part of the Company's assets to, or acquire substantially all the assets of, another UCITS established in Luxembourg or another EU Member State. For the purpose of this Section 29.3, the term UCITS also refers to a sub-fund of a UCITS and the term Company also refers to a Sub-Fund.
- (b) Any merger leading to termination of the Company must be approved by Supermajority Resolution at the Shareholders' meeting.
- (c) Shareholders will receive shares of the surviving UCITS or sub-fund and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares.
- (d) The Company will provide appropriate and accurate information on the proposed merger to its Shareholders so as to enable them to make an informed judgment of the impact of the merger on their investment and to exercise their rights under this Section 29.3 and the 2010 Law.
- (e) The Shareholders have the right to request, without any charge other than those retained by the Company to meet disinvestment costs, the redemption of their Shares.

- (f) Under the same circumstances as provided by Section 29.2(a) above, the Board may decide to allocate the assets of a Sub-Fund to those of another existing Sub-Fund within the Company or to another Luxembourg UCITS or to another sub-fund within such other Luxembourg UCITS (the **New Sub-Fund**) and to repatriate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in Section 29.1(d) one month before its effectiveness (and, in addition, the publication will contain information in relation to the New Sub-Fund), in order to enable the Shareholders to request redemption of their Shares, free of charge, during such period.
- (g) Notwithstanding the powers conferred to the Board by Section 29.3(f) above, a contribution of the assets and of the liabilities attributable to any Sub-Fund to another Sub-Fund within the Company may in any other circumstances be decided upon by a general meeting of Shareholders of the Class or Classes issued in the Sub-Fund concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.
- (h) For the interest of the Shareholders of the relevant Sub-Fund or in the event that a change in the economic or political situation relating to a Sub-Fund so justifies, the Board may proceed to the reorganisation of a Sub-Fund by means of a division into two or more Sub-Funds. Information concerning the New Sub-Fund(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

## **PART B – SPECIAL SECTIONS**

### **SPECIAL SECTION 1**

#### **ALMA CAPITAL INVESTMENT FUNDS – ALMA US CONVERTIBLE FUND**

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to Alma Capital Investment Funds – Alma US Convertible Fund (the **Sub-Fund**).

#### **1. INVESTMENT OBJECTIVE AND POLICY**

- 1.1 The investment objective of the Sub-Fund is to seek total return by investing primarily in convertible securities of U.S. and non-U.S. corporate issuers. Convertible securities are "hybrid" securities that possess both fixed income and equity characteristics. These convertible securities include corporate bonds, preferred stocks and other types of securities that are convertible into common stock or its equivalent value. A convertible security generally performs more like a common stock when the price of the underlying stock is closer to or above the conversion price because it is more likely that the convertible security will be converted into stock. A convertible security generally performs more like a bond when the price of the underlying stock is well below the conversion price because it is more likely that the convertible security will mature without being converted.
- 1.2 In seeking to achieve the Sub-Fund's investment objective, the Investment Manager (as defined below) employs a multi-faceted, "bottom up" investment approach that utilizes proprietary analytical tools developed by the Investment Manager in connection with its analysis of highly levered companies. Utilizing its intensive credit analysis in managing the Sub-Fund's portfolio, the Investment Manager seeks to take advantage of potential equity upside opportunities by capitalizing on growth potential inherent in credits with strong cash flow and follows strict entry and exit disciplines and risk management controls. The Investment Manager's investment process is based on two main tenets, which emphasize risk management.
- 1.3 First, the Investment Manager conducts a comprehensive, fundamental credit analysis of issuers, which is critical in identifying a robust bond "floor" valuation. Second, the Investment Manager utilizes a disciplined entry/exit strategy, seeking to purchase securities with a low premium above bond valuation and sell securities with excessive equity sensitivity. This disciplined entry/exit strategy is intended to result in a weighted average portfolio position with less equity sensitivity than a traditional convertible bond strategy. In addition, the strategy attempts to create a natural risk hedge by shifting the positive risk/reward attributes inherent in convertible securities further in favour of investors by reducing downside risk and volatility.
- 1.4 While the Sub-Fund has broad discretion to invest in all types of convertible securities, the Sub-Fund focuses primarily on investments in convertible bonds of corporate issuers with debt rated below investment grade (below Baa3 by Moody's or below BBB- by S&P or Fitch), commonly referred to as "high yield". As a result, all, or substantially all of the Sub-Fund's assets, may be invested in below investment grade rated securities. The Sub-Fund invests primarily in U.S. dollar denominated securities; however, the Sub-Fund may invest in securities denominated in other currencies. Portfolio construction is based primarily on diversification (by issue, issuer and industry), with an emphasis on the relative weightings of each security's respective equity and bond premiums in the average weighted entry point strategy. The optimum weighted portfolio is just "above" the bond floor and near the equity "sweet" zone. A key factor to directional success in outright convertible investing is entry point selection, with the identification of the bond floor as the main component. The Investment Manager evaluates the attributes of each convertible security to determine the appropriate entry point, including investment premium; equity premium; yield to put/maturity; call protection; liquidity of the convertible and the underlying equity as a function of relation to market capitalization, true float and borrow ability of common stock; "rich/cheap" relationship to theoretical valuation; implied/assumed

credit spread and equity volatility; delta/gamma sensitivity to the underlying equity; dividend/takeover protection; rho/omega sensitivity to interest rate and/or credit spread fluctuations, in addition to trading and overall market conditions. The Investment Manager's discipline is also to sell securities with excessive equity sensitivity, deteriorating credit credentials, negative change in management quality, unattractive convertible technicals or relative valuation. The Investment Manager believes this prudent strategy will provide attractive performance on an absolute and risk adjusted basis.

- 1.5 The Sub-Fund will be able to keep equities following the conversion of bonds into equities or to sell these equities on a short term basis.
- 1.6 On an ancillary basis, the Sub-Fund may also invest in certain circumstances in transferable securities other than convertible securities, such as non convertible bonds, equities or UCIs subject to the restrictions set out in Article 41 of the 2010 Law.
- 1.7 In exceptional market situations, the Sub-Fund may temporarily hold up to 100% of its assets in cash.
- 1.8 A maximum of 10% of the Sub-Fund's net assets may be invested in units or shares of UCITS or Other UCIs.
- 1.9 Derivatives may be used for hedging purposes. In order to carry out the optimum management of exchange risk, the Sub-Fund can enter into deals which focus on currency futures (sales or purchases), "financial futures" contracts and currency options (selling options to buy or buying options to sell). No hedging will be able to bear on a total amount higher than the value of the assets which are the subject of the aforementioned hedging nor exceed the holding period of these assets. Investors should refer to Section 7 of the General Section for special risk considerations applicable to financial derivative instruments.
- 1.10 When these assets generate fixed-rate interest, the cover can include the interest which will be received on the maturity date; as an exception to the above-mentioned principle, the total amount of hedging can, provisionally, in the event of fluctuations in the value of the assets covered by such deals, exceed the value of the covered asset.
- 1.11 In no way can these deals be of speculative nature. Hedging must be carried out in the same currency as the assets to be covered. There must be a connection between the hedging and the assets to be covered.
- 1.12 The Sub-Fund will not invest in structured products (eg asset backed securities and mortgage backed securities).
- 1.13 It is not expected that the Sub-Fund will use EPM Techniques or TRS. If the Sub-Fund were to use EPM Techniques or TRS, the applicable limits would be specified in this Special Section.
- 1.14 As part of its investment process, the Investment Manager seeks to consider all meaningful risks, including those related to ESG, that may have an impact on a company's prospects, operating performance or valuation.

The Investment Manager's core ESG principles are:

- ESG factors are considered when making investment decisions.
- ESG issues can have a direct impact on profitability, cash flow and on an issuer's ability to pay back debt in a timely manner and, therefore, are a critical part of investment analysis.
- ESG factors are not "stand-alone" but are integrated into the Investment Manager's disciplined and structured investment process.



- 1.15 ESG is incorporated into the Investment Manager's credit research process in the following ways:
- The Investment Manager has implemented a proprietary 25 question management checklist designed to evaluate governance and management integrity.
  - The Investment Manager's proprietary risk assessment checklist seeks to quantify both quantitative and qualitative risk factors.
  - Key risk factors quantified by the Investment Manager's analysts are often important ESG variables to consider.
  - The Investment Manager's proprietary financial models can quantify the impact of many ESG factors.
  - The Investment Manager's proprietary tool assesses risk factors that impact credit quality.
- 1.16 The Investment Manager's ESG checklist formally incorporates and measures factors they have long considered in their investment process. This checklist highlights any particular ESG issues around a company and allows the Investment Manager to address such issues in a proactive and meaningful way. Amongst other factors, these checklist items were informed by the UN Global Compact. Specific topics that are addressed include:
- Environmental: Pollution & Waste
  - Environmental: Liabilities/Violations
  - Environmental: Impact from climate change
  - Social: Employees
  - Social: Human Rights
  - Social: Stakeholders (Customers/Community)
  - Governance: Transparency
  - Governance: Management integrity
  - Governance: Strategic/Financial policy
  - Governance: Board composition/Corporate Structure
- 1.17 The Investment Manager will not invest in the following sectors:
- Controversial weapons makers
  - Tobacco producers
  - Thermal coal producers
- 1.18 Based on the above, the Sub-Fund is considered as qualifying as a financial product promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, under Article 8 of the European Regulation on sustainability - related disclosures in the financial services sector (SFDR). No index has been designated as a reference benchmark.

**2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the US Dollar.

**3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

**4. VALUATION DAY**

The Net Asset Value of the Sub-Fund is determined on each day which is both a Business Day and a day on which the New York Stock Exchange is open. Until 31 December 2013, the Net Asset Value of the Sub-Fund was determined as of every Friday or, when such week day was not a Business Day, as of the next following Business Day and on any last Business Day of a calendar month. The Net Asset Value was determined for the first time on 25 November 2011.

**5. DEALING NOTICE**

5.1 Subscriptions of Shares will be effected each Valuation Day provided that the subscription notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day.

5.2 Payments for subscriptions must be received in the Reference Currency of the relevant Class, no later than three (3) Business Days after the relevant Valuation Day.

5.3 A Subscription Fee as set out under Section 6 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.

5.4 Redemptions of Shares will be effected each Valuation Day provided that the redemption notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day and processed on the next Valuation Day.

5.5 Redemptions will be paid by the Depositary in the Reference Currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day.

5.6 A Redemption Fee as set out under Section 6 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund.

**6. CLASSES AVAILABLE**

There are for the time being the following Classes available for subscription by the investors in the Sub-Fund with the following characteristics:

Class of Shares	Eligible Investors	Currency	Minimum Subscription Amount	Minimum additional subscription	Subscription Fee	Redemption Fee	Conversion Fees	Management Fee	Distribution policy	Initial issue price
I USD	Institutional	USD	USD 250,000	USD 1,000	Up to 2% of the Net Asset Value per Share	Up to 0.5% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	1% maximum	Capitalisation (C) / Dividend (D)	USD 100
I GBP (Hedged)		GBP (Hedged)	GBP 250,000	GBP 1,000						GBP 100
I EUR (Hedged)		EUR (Hedged)	EUR 250,000	EUR 1,000						EUR 100
I CHF (Hedged)		CHF (Hedged)	CHF 250,000	CHF 1,000						CHF 100
R USD	Retail	USD	USD 1,000	USD 500				1.50% maximum		USD 100
R GBP (Hedged)		GBP (Hedged)	GBP 1,000	GBP 500						GBP 100
R EUR (Hedged)		EUR (Hedged)	EUR 1,000	EUR 500						EUR 100
R CHF (Hedged)		CHF (Hedged)	CHF 1,000	CHF 500						CHF 100

In addition to the above Classes, the Sub-Fund has issued at least one Class S Share. Class S Shares will be reserved for subscription and may exclusively be held by Alma Capital Investment Management.

Class S Shares will bear the same economic rights as the Class I Shares and special rights as described under Section 15 of the General Section.

## 7. INITIAL OFFERING PERIOD AND FURTHER OFFERING OF CLASSES

7.1 The Initial Offering Period of the Sub-Fund commenced on 14 November 2011 and ended on 16 November 2011.

7.2 In the event that a Class, closed for subscriptions because all Shares issued in that Class have been redeemed, is reopened for subscriptions or in the event that no Shares of a Class are subscribed during the Initial Offering Period, the Initial Subscription Price per Share of the Class concerned, at the time of launch of the Class (such time to be decided by the Board), or the subscription price per share at the time of reopening the Class, will be equal to 100 units of the valuation currency of the Class concerned, i.e. EUR 100, CHF 100, GBP 100 or USD 100 and subscriptions to the relevant Class must be made pursuant to Sections 5.1 to 5.3 of this Special Section.

## 8. CONVERSION

8.1 Shares in the Sub-Fund may be converted on each Valuation Day.

8.2 Shares of another Class or Sub-Fund may not be converted into Class S Shares.

8.3 Conversion requests must be received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

8.4 A Conversion Fee as set out under Section 6 of this Special Section may be levied to cover conversion costs.

## 9. INVESTMENT MANAGER

9.1 The Management Company has appointed Shenkman Capital Management, Inc. as the investment manager of the Sub-Fund (the **Investment Manager**) to carry out investment management services and be responsible for the investment activities of the Sub-Fund.

9.2 The Investment Manager was founded and registered as an investment adviser with the U.S. Securities and Exchange Commission (**SEC**) in 1985. Since its inception, the company has been dedicated to

providing investment management services to institutional and individual investors with an investment focus on highly leveraged companies. The Investment Manager's mission is to be recognised as a world leader in the research and management of leveraged finance investments for conservative investors. The Investment Manager is dedicated to providing in-depth, disciplined, bottom-up, fundamental credit analysis on all investments. Its rigorous controls manage risk on an individual client and company-wide basis. Open communication is encouraged and maintained with clients so that they are fully apprised of market conditions and investment strategy. The convertible investment process leverages the Investment Manager's 25 years of experience in fundamental, systematic credit analysis of high yield issuers and is a natural complement to its focus on the levered finance market.

- 9.3 Although the Investment Manager's success has been based on a collective effort, it continues to benefit from the substantial experience of its founder, Mark R. Shenkman, who has been actively involved in the high yield market since 1977. Mr. Shenkman is the former President of First Investors Asset Management Co. Mr. Shenkman also managed the first high yield bond mutual fund at Fidelity and was co-manager of the high yield department at Lehman Brothers Kuhn Loeb, where he established one of the first departments dedicated to the research, selling and trading of high yield securities. In addition, he co-authored and edited *High Yield Bonds: Market Structure, Portfolio Management and Credit Risk Modeling*, one of the most comprehensive textbooks devoted exclusively to the high yield market. Mr. Shenkman received a B.A. from the University of Connecticut (1965) and an MBA from George Washington University (1967). Mr. Shenkman also received a Doctor of Humane Letters, *honoris causa*, from the University of Connecticut (2007).

#### **Remuneration of the Investment Manager**

- 9.4 The Investment Manager will be entitled to receive a portion of the Management Fee as agreed from time to time in writing between the Management Company and the Investment Manager.

### **10. PROFILE OF THE TYPICAL INVESTOR**

- 10.1 This Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long term returns than minimising possible short term losses.
- 10.2 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

### **11. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the following specific risk factors:

**Convertible securities risk:** Convertible securities generally tend to be of lower credit quality, and the value of a convertible security generally increases and decreases with the value of the underlying common stock, but may also be sensitive to changes in interest rates. A convertible security may also be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Sub-Fund is called for redemption, the Sub-Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party, which could result in a loss to the Sub-Fund. Additionally, the Sub-Fund could lose money if the issuer of a convertible security is unable to meet its financial obligations or declares bankruptcy.

**Interest rate risk:** As interest rates rise, the values of convertible securities held by the Sub-Fund are likely to decrease and reduce the value of the Sub-Fund's portfolio. Convertible securities are normally much more sensitive to interest rate changes when they are valued more like the company's bonds than

the company's common stock, such as when the conversion price for the convertible security is well above the common stock price.

**Market risk:** Securities markets are volatile and can decline significantly in response to adverse market, economic, political or regulatory developments which can adversely affect the value of convertible securities held by the Sub-Fund. Additionally, an adverse event, such as an unfavorable earnings report, may depress the value of a particular company's stock, which can also cause the value of the company's convertible securities to decline.

**Credit risk:** The issuer of a debt security owned by the Sub-Fund could default on its obligation to pay principal and/or interest or its credit rating could be downgraded. Convertible securities are normally considered junior to the company's non-convertible debt so the company would normally have to pay interest on its non-convertible debt before interest can be paid on the convertible securities. Credit risk is higher for the Sub-Fund because it invests primarily in convertible securities of companies with debt rated below investment grade.

**High-yield risk:** There is a greater risk that the Sub-Fund will lose money because it invests primarily in convertible securities of companies with debt rated below investment grade. These securities are considered speculative because they have a higher risk of issuer default, are subject to greater price volatility and may be less liquid.

**Selection risk:** The Investment Manager's judgment about the attractiveness, value and potential appreciation of a particular company's security could be incorrect.

**Liquidity risk:** The market for convertible securities is generally less liquid than the market for non-convertible investment grade corporate bonds. The Sub-Fund may at times have greater difficulty buying or selling specific convertible securities at prices the Investment Manager believes are reasonable, which would be adverse to the Sub-Fund.

**Sustainability risk:** Sustainability risk is managed as part of the overall risk management process adopted by the Investment Manager as opposed to applying absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category. This includes managing risk through appropriate diversification of investments held by the Fund and ensuring that the risk of any one sector or industry group is not significant.

The Management Company, in conjunction with the Investment Manager, does not consider the principal adverse impacts of its investment decisions on sustainability factors in respect of the sub-fund on the basis that, in the context of the investment strategy of the sub-fund, it is not possible to conduct detailed diligence on the principal adverse impacts of the investment decisions on sustainability factors.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The articles 5 and 6 of the “Taxonomy Regulation” (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020) require that financial products which comply with article 8 of SFDR and that promote environmental characteristics disclose information on the environmental objective or environmental objectives set out in Article 9 of the Taxonomy Regulation to which the investment underlying the financial product contributes and a description of how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation.

Although this sub-fund qualifies as an article 8 fund with regards to SFDR, it does not explicitly promote environmental characteristics. As a consequence, the requirement for disclosure for the Taxonomy Regulation as listed in the above paragraph does not apply.

## **12. RISK MANAGEMENT**

- 12.1 In accordance with the 2010 Law and applicable regulations, the Management Company uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.
- 12.2 The Management Company uses the commitment approach to monitor and measure the Sub-Fund's global exposure. This approach measures the global exposure related to positions on financial derivative instruments (**FDIs**) which may not exceed the total net value of the portfolio of the Sub-Fund.
- 12.3 Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI, following the ESMA's guidelines on risk measurement of global exposure and counterparty risk for UCITS published on 20 July 2010 as updated further to the ESMA Guidelines 2014/937.

## SPECIAL SECTION 2

### ALMA CAPITAL INVESTMENT FUNDS – ALMA EIKOH JAPAN LARGE CAP EQUITY FUND

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to Alma Capital Investment Funds – Alma Eikoh Japan Large Cap Equity Fund (the **Sub-Fund**).

#### 1. INVESTMENT OBJECTIVE AND POLICY

1.1 The investment objective of the Sub-Fund is to seek long-term capital appreciation. The Sub-Fund intends to invest its assets principally in equity securities and equity related securities issued by Japanese companies or non-Japanese companies whose shares trade on a Japanese exchange or that the Management Company determines are otherwise actively traded in Japan including in the form of Japanese Depository Receipts and Japanese Depository Shares, as well as the securities of companies with substantial economic exposure to Japan. The Sub-Fund may invest, in addition, in the securities of issuers that may trade principally or only outside Japan. The Management Company expects to invest the majority of the assets of the Sub-Fund in the securities of issuers with a market capitalisation in excess of the equivalent of US\$ 1 billion. The Management Company may from time to time invest a portion of the assets of the Sub-Fund in the securities of issuers with a smaller market capitalisation.

1.2 In managing the Sub-Fund's investments, the Management Company normally uses a "bottom up" fundamental research approach to identify companies for investment. The Management Company maintains a proprietary database of company valuations built on in-house modelling, frequent company meetings and extensive research.

The Management Company uses these models combined with qualitative and ESG screening criteria to select companies with favourable characteristics. Such qualitative characteristics include quality of management, confidence in company guidance, corporate governance and strategy, competitive advantage and brand power.

The Management Company seeks to identify quality business models with sustainable or improving earnings with attractive valuations, or turnaround situations with significant potential upside.

1.3 Equity securities include common and preferred stock, securities convertible into common or preferred stock such as convertible preferred stock, bonds and debentures; and rights or warrants to purchase common or preferred stock, as well as other securities with equity characteristics, such as investment companies and ETFs that invest primarily in equity securities, subject to the restrictions set out in Article 41 of the 2010 Law.

1.4 A maximum of 10% of the Sub-Fund's net assets may be invested in units or shares of UCITS or Other UCIs.

1.5 Portfolio securities may be sold at any time. Sales may occur when the Management Company determines to take advantage of what the Management Company considers to be a better investment opportunity, when the Management Company believes the portfolio securities no longer represent relatively attractive investment opportunities, when the Management Company perceives deterioration in the fundamentals of the issuer, when the Management Company believes the intermediate and long-term prospects for the issuer are poor, or when the individual security has reached the Management Company's sell target.

1.6 The Sub-Fund may invest in certain types of derivatives, including, but not limited to, options, futures and options on futures, swaps and forward currency exchange contracts. Investors should refer to Section 7 of the General Section for special risk considerations applicable to financial derivative

instruments. It is not expected that the Sub-Fund will use EPM Techniques or TRS. If the Sub-Fund were to use EPM Techniques or TRS, the applicable limits would be specified in this Special Section.

- 1.7 In exceptional market situations, the Sub-Fund may temporarily hold up to 100% of its assets in cash.
- 1.8 As a core process of the due diligence phase, fundamental research process, and ongoing analysis and portfolio monitoring, the Investment Manager conducts ESG analysis to assess the risks and opportunities arising from major challenges and changes in sustainable development. This is carried out both on a first party basis by the Investment Manager directly and also on a third party basis through consumption of outside research providers' ESG analysis. This analysis is integrated into the investment decision making process and management of the portfolio and adherence to the integration of ESG parameters in the investment process is ensured by the Management Company's dedicated ESG officer who also monitors the ongoing ESG credentials of the fund's investments. Such policies include adherence to the exclusion list (detailed below) and ongoing monitoring of ESG suitability and sustainability of all portfolio investments.

The fund applies an exclusion list and will not invest in companies with the following characteristics:

- Tobacco Production Companies
- Companies with a majority source of revenue/profits from weapons manufacturing
- Companies with a majority source of revenue/profits from Thermal Coal Mining
- Companies in Breach of 1-2 of the UN Global Compact Goals.

- 1.9 For companies who fall inside the ESG investment criteria but where ESG analysis process flags material risks to sustainability without foreseeable mitigation efforts from the company, the Investment Manager does not consider making investments and where material risks arise in portfolio companies without foreseeable mitigation, the investment manager will look to divest.
- 1.10 The Investment Manager regularly meets and engages with portfolio companies and prospective investments on ESG matters among others and will actively engage in voting concerning these matters at shareholder meetings.
- 1.11 Based on the above, the Sub-Fund is considered as qualifying as a financial product promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, under Article 8 of the European Regulation on sustainability - related disclosures in the financial services sector (SFDR). No index has been designated as a reference benchmark.

## **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the Japanese Yen.

## **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## **4. VALUATION DAY**

The Net Asset Value of the Sub-Fund is determined on each day which is both a Business Day and a day on which the Tokyo Stock Exchange is open. The Net Asset Value of the Sub-Fund was determined for the first time on 13 June 2014.

## **5. DEALING**

- 5.1 Subscriptions of Shares will be effected each Valuation Day provided that the subscription notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before



the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day.

- 5.2 Payments for subscriptions must be received in the Reference Currency of the relevant Class, no later than three (3) Business Days after the relevant Valuation Day.
- 5.3 A Subscription Fee as set out under Section 6 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.
- 5.4 Redemptions of Shares will be effected each Valuation Day provided that the redemption notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day and processed on the next Valuation Day.
- 5.5 Redemptions will be paid by the Depository in the Reference Currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day.
- 5.6 A Redemption Fee as set out under Section 6 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund.
- 5.7 Notwithstanding General Section 11.1(h) of the Prospectus, the Company and the Management Company agree that requests for redemption which have been carried forward from an earlier Valuation Day shall (subject always to the foregoing limits) be complied with in priority to redemption requests received subsequently and shall be satisfied in full after a maximum of seven Valuation Days and the payment of the relevant redemption proceeds will be made on the relevant date following such final redemption date.

## **6. CLASSES AVAILABLE**

- 6.1 There are for the time being the following Classes available for subscription by the investors in the Sub-Fund with the following characteristics:

Class of Shares	Eligible Investors	Currency	Minimum Subscription Amount	Minimum additional subscription	Subscription Fee	Redemption Fee	Conversion Fees	Management Fee	Distribution policy	Initial issue price
I JPY	Institutional	JPY	JPY 25,000,000	JPY 100,000	Up to 2% of the Net Asset Value per Share	Up to 0.5% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	0.90% maximum	Capitalisation (C) / Dividend (D)	JPY 10,000
I GBP		GBP	GBP 250,000	GBP 1,000						GBP 100
I GBP (Hedged)		GBP (Hedged)	GBP 250,000	GBP 1,000						GBP 100
I EUR		EUR	EUR 250,000	EUR 1,000						EUR 100
I EUR (Hedged)		EUR (Hedged)	EUR 250,000	EUR 1,000						EUR 100
I USD (Hedged)		USD (Hedged)	USD 250,000	USD 1,000						USD 100
I CHF (Hedged)		CHF (Hedged)	CHF 250,000	CHF 1,000						CHF 100
R JPY	Retail	JPY	JPY 100,000	JPY 50,000	None	None	None	1.40% maximum	Capitalisation (C)	JPY 10,000
R GBP (Hedged)		GBP (Hedged)	GBP 1,000	GBP 500						GBP 100
R EUR (Hedged)		EUR (Hedged)	EUR 1,000	EUR 500						EUR 100
R USD (Hedged)		USD (Hedged)	USD 1,000	USD 500						USD 100
R CHF (Hedged)		CHF (Hedged)	CHF 1,000	CHF 500						CHF 100
RC JPY		JPY	JPY 100,000	JPY 50,000						JPY 10,000
M JPY		Each employee or Director of the Management Company, or an immediate family member of such employee or Director (spouse or child), who shall remain at all time the ultimate beneficial owner of the Shares.	JPY	JPY 100,000						JPY 50,000
M EUR	EUR		EUR 1,000	EUR 500	EUR 100					

## 7. CONVERSION

7.1 Shares in the Sub-Fund may be converted on each Valuation Day.

7.2 Conversion requests must be received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

7.3 A Conversion Fee as set out under Section 6 of this Special Section may be levied to cover conversion costs.

## 8. PROFILE OF THE TYPICAL INVESTOR

8.1 This Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are looking for long-term capital appreciation of their investment and who are willing to accept fluctuations (sometimes significant) in the Net Asset Value per Share of the Sub-Fund during the short term.

8.2 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## 9. SPECIFIC RISK FACTORS

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the following specific risk factors:

**Cash position risk:** to the extent that the Sub-Fund holds assets in cash, cash equivalents, and other short-term investments, the ability of the Sub-Fund to meet its objective may be limited.

**Cross-shareholding among Japanese companies:** the extensive cross-shareholding among companies in Japan has significant effects on the securities markets. Typically, ten to twenty (or even more) companies will each have small holdings (about 1% to 5%) in each other. Each of these holdings alone is too small to be significant in the governance of the issuance corporation, but taken together, the group corporations' holdings often provide a significant amount of control. At the time each of the holdings is acquired, it is understood that they will not be sold but maintained and voted in support of management. The ties produce a bonding effect as well as a security against takeovers. There is, however, a recent trend emerging for some companies to begin to liquidate some cross-shareholdings. Cross-shareholding often results in the exclusion of large quantities of listed stock from trading, which means that the float that is actually traded is very thin and thus there is potentially higher volatility. Another effect of massive cross-shareholding is that it deprives ordinary individual investors of meaningful opportunity to influence corporate governance because the outcome of board elections, accounting approvals and other shareholder actions to monitor management are often largely predetermined by the cross-shareholding covenants. Moreover, the laws in Japan regulating ownership, control, and corporate governance of companies are still evolving. Although procedural and other changes have been made that are intended to facilitate the increased exercise of legal rights by minority investors, there can be no assurance that these changes will be sufficient to afford minority investors effective means for preventing or seeking compensation for transactions or conduct that is injurious to the interests of shareholders.

**Derivatives risk:** the risk that an investment in derivatives will not perform as anticipated by the Management Company, cannot be closed out at a favourable time or price, or will increase the Sub-Fund's volatility; that derivatives may create investment leverage; that, when a derivative is used as a substitute for or alternative to a direct cash investment, the transaction may not provide a return that corresponds precisely with that of the cash investment; or that, when used for hedging purposes, derivatives will not provide the anticipated protection, causing the Sub-Fund to lose money on both the derivatives transaction and the exposure the Sub-Fund sought to hedge.

**Equity issuer risk:** the risk that the value of a company's stock will decline in value in response to factors affecting that company, that company's industry, or the market generally.

**Japanese financial disclosure standards:** Japanese companies are subject to accounting, auditing, and financial reporting requirements that differ, in some cases materially, from those applicable to companies in other developed countries. In particular, the assets and profits appearing on the financial statements of a Japanese company may not reflect its financial position or results of operations in a way they would be reflected had its financial statements been prepared in accordance with generally accepted accounting principles in other developed countries. There is generally substantially less publicly available information than there are reports and ratings published about companies in other developed countries, and Japanese companies are often less willing to provide investors with the types of financial and other disclosures customary for issuers in other developed countries. Accordingly, there can be no assurance that information discovered subsequent to an investment will not negatively affect the value of such investment.

**Liquidity risk:** the risk that low trading volume, lack of a market maker, or contractual or legal restrictions may limit or prevent the Sub-Fund from selling securities or closing derivative positions at desirable times or prices.

**Market risk:** the risk that the overall market will perform poorly or that the returns from the securities in which the Sub-Fund invests will underperform returns from the general securities markets or other types of investments.

**Portfolio turnover risk:** the risk that frequent purchases and sales of portfolio securities may result in higher expenses and may result in larger distributions of taxable capital gains to investors as compared to a fund that trades less frequently.

**Price volatility risk:** the risk that the value of the Sub-Fund's investment portfolio will change, potentially frequently and in large amounts, as the prices of its investments go up or down.

**Selection risk:** the risk that the securities held by the Sub-Fund will underperform other funds investing in similar asset classes or comparable benchmarks because of the Management Company's choice of securities or sectors for investment.

**Manager risk:** The performance of the Sub-Fund is dependent upon the investment manager's skill in making appropriate investments. As a result, the Sub-Fund may underperform comparable benchmark or its peers.

**Sustainability risk:** Sustainability risk is managed as part of the overall risk management process adopted by the Investment Manager as opposed to applying absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category. This includes managing risk through appropriate diversification of investments held by the Fund and ensuring that the risk of any one sector or industry group is not significant.

The Management Company, in conjunction with the Investment Manager, does not consider the principal adverse impacts of its investment decisions on sustainability factors in respect of the sub-fund on the basis that, in the context of the investment strategy of the sub-fund, it is not possible to conduct detailed diligence on the principal adverse impacts of the investment decisions on sustainability factors.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The articles 5 and 6 of the “Taxonomy Regulation” (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020) require that financial products which comply with article 8 of SFDR and that promote environmental characteristics disclose information on the environmental objective or environmental objectives set out in Article 9 of the Taxonomy Regulation to which the investment underlying the financial product contributes and a description of how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation.

Although this sub-fund qualifies as an article 8 fund with regards to SFDR, it does not explicitly promote environmental characteristics. As a consequence, the requirement for disclosure for the Taxonomy Regulation as listed in the above paragraph does not apply.

## **10. RISK MANAGEMENT**

- 10.1 In accordance with the 2010 Law and applicable regulations, the Management Company uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.
- 10.2 The Management Company uses the commitment approach to monitor and measure the Sub-Fund's global exposure. This approach measures the global exposure related to positions on financial derivative instruments (**FDIs**) which may not exceed the total Net Asset Value of the Sub-Fund.

Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI, following the ESMA's guidelines on risk

measurement of global exposure and counterparty risk for UCITS published on 20 July 2010 as updated further to the ESMA Guidelines 2014/937.

### SPECIAL SECTION 3

#### ALMA CAPITAL INVESTMENT FUNDS – ALMA ZAZOVE GLOBAL CONVERTIBLE FUND

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to Alma Capital Investment Funds – Alma Zazove Global Convertible Fund (the **Sub-Fund**).

#### 1. INVESTMENT OBJECTIVE AND POLICY

- 1.1 The investment objective of the Sub-Fund is to provide long-term returns similar to global equities with substantially lower volatility by investing primarily in convertible securities of global corporate issuers. Convertible securities are "hybrid" securities that possess both fixed income and equity characteristics. A properly selected convertible security offers the ability to participate in a substantial portion of the underlying common stock's advances while being sheltered from a significant portion of its decline. In addition, a convertible security generally provides a current yield in excess of the dividend yield on the underlying common stock. Convertible securities also tend to exhibit a much lower degree of interest rate sensitivity than traditional fixed income securities and have a different set of performance drivers.
- 1.2 In seeking to achieve the Sub-Fund's investment objective, the Investment Manager employs a quantitative, "bottom up" investment approach that utilises proprietary analytical tools developed by the Investment Manager to identify statistically undervalued convertible securities with attractive risk/return characteristics. Credit analysis is used to determine the value of the straight debt component or "bond floor", which establishes a convertible's downside risk. The investment process generally does not rely on economic, interest rate or stock market forecasts, fundamental equity or technical analysis or market timing. To a lesser degree, the Investment Manager may consider market trends, industry group strengths, reported transactions of insiders and major shareholders, advice of investment specialists and other sources of information.
- 1.3 The primary focus in portfolio construction is identifying structurally attractive convertibles with an emphasis on balanced profiles. Such convertibles exhibit return properties that are projected to capture a substantial portion of any rise in the underlying common stock while providing meaningful downside protection should the underlying stock decline. Maintaining a well-diversified portfolio by issue, issuer, and industry is also important given the Investment Manger's quantitative approach and non-reliance on forecasting. In addition, the compositional and structural characteristics of the convertible market can vary significantly by region. Accordingly, the utilisation of a global opportunity set enhances the Investment Manager's ability to both diversify the portfolio and optimise its overall risk/return profile.
- 1.4 In order to determine the appropriateness of the investment, the Investment Manager performs an in-depth quantitative analysis of the risk/reward properties of a convertible. Such analysis includes a review of investment value premium, conversion premium, yield, upside/downside capture, theoretical value, and sensitivity to changes in equity prices, volatility, and interest rates. Convertible terms and conditions (including call, dividend, and takeover protection), liquidity, and historical valuations are also examined. Credit analysis is an integral part of the process as it is essential for evaluating downside risk and convexity. The Investment Manager applies the same quantitative approach to sell decisions, exiting positions that become too equity sensitive (lack downside protection), bond-like (lack upside participation), or whose risk/return attributes have become relatively less attractive compared to secondary or primary market alternatives. This disciplined entry/exit strategy results in a consistent risk/reward profile despite varying conditions in the overall market.
- 1.5 The Sub-Fund has broad discretion to invest in all types of convertible securities. Convertible securities include convertible bonds, convertible preferred stocks, warrants, options and similar

instruments that may be exchanged at the holder's option into a predetermined number of the issuer's (or another party's) shares of common stock. The convertible securities held by the Sub-Fund may be publicly or privately issued by companies domiciled or incorporated in various countries across the globe, may be dominated in U.S. dollars or other currencies, and the credit quality may be investment grade or below investment-grade.

- 1.6 The Sub-Fund will be diversified by security such that it will generally not purchase a security if, immediately after the purchase, the security represents more than 5% of the value of the Sub-Fund. Additionally, the Sub-Fund will be diversified by issuer such that it will generally not purchase a security of an issuer if, immediately after the purchase, exposure to that issuer represents more than 10% of the value of the Sub-Fund. The Sub-Fund will be diversified by industry such that it will generally not purchase a security if, immediately after the purchase, the industry of which the security is included represents more than 15% of the value of the Sub-Fund, provided however, that up to 25% of the Sub-Fund's assets may consist of securities issued by financial institutions. The Sub-Fund will be diversified by country such that it will generally not purchase a security of an issuer from any one country with an investment-grade sovereign debt rating if, immediately after such purchase, more than 25% of the value of the Sub-Fund is invested in securities of issuers from that country, provided however, that up to 50% of Sub-Fund assets may consist of securities issued by U.S. companies. The Sub-Fund will generally not purchase a security of an issuer from any one country with a below investment-grade sovereign debt rating if, immediately after such purchase, more than 10% of the value of the Sub-Fund is invested in securities of issuers from that country. Sub-investment grade exposure (i.e., below Baa3 by Moody's or below BBB- by S&P or Fitch, similar ratings by other nationally recognized statistical rating organizations, or if not rated by any such organization, a similar rating assigned to the security in the good faith judgment of the Investment Manager) will typically range from 40% to 50% of the Sub-Fund's assets, but could fall outside this range depending on market conditions. The foregoing levels will be determined in the good faith judgment of the Investment Manager.
- 1.7 The Sub-Fund may hold other types of assets received as a result of a security being subject to a restructuring, reorganisation, recapitalisation or similar transaction. It may also retain equities following the conversion of convertible securities into equities or to sell these equities on a short term basis. On an ancillary basis, the Sub-Fund may occasionally invest in non-convertible securities including bonds, common stocks, preferred stocks, notes and other derivatives, provided that at time of purchase such securities do not exceed 15% of the value of the Sub-Fund (although the Sub-Fund's investment in such other securities and derivatives may exceed such level in certain circumstances).
- 1.8 The Sub-Fund generally attempts to hedge currency exchange risk associated with securities denominated in various currencies other than the Reference Currency by using currency futures, forward contracts, options and other means to the extent and in the manner deemed practicable. No attempt will be made to hedge all such risks. There is no assurance that these hedging transactions will be successful or that such hedging transactions will not themselves generate losses.
- 1.9 The Sub-Fund may hedge stock market risk using stock options, warrants and other derivatives. The Sub-Fund's hedging positions, if any, are intended to reduce (not eliminate) market risk.
- 1.10 The Sub-Fund does not currently intend to hedge interest rate or credit risks associated with fixed-income securities, although it may do in the future using interest rate swaps, credit default swaps, short sales or other means. If the Sub-Fund hedges interest rate and/or credit risk, no attempt will be made to hedge all such risks and there is no assurances that these hedging transactions will be successful or that such hedging transactions will not themselves generate losses.
- 1.11 Although it is intended for the Sub-Fund, in general, to be fully invested, it may invest available cash in money market funds, bank deposits, government securities and other short-term fixed income instruments until appropriate investment opportunities arise.

- 1.12 A maximum of 10% of the Sub-Fund's net assets may be invested in units or shares of UCITS or Other UCIs.
- 1.13 Portfolio securities may be sold at any time. Sales may occur when the Investment Manager determines to take advantage of what the Investment Manager considers to be a better investment opportunity, when the Investment Manager believes the portfolio securities no longer represent relatively attractive investment opportunities, when the Investment Manager perceives deterioration in the fundamentals of the issuer, when the Investment Manager believes the intermediate and long-term prospects for the issuer are poor, or when the individual security has reached the Investment Manager's sell target.
- 1.14 The Sub-Fund may invest in certain types of derivatives, including, but not limited to, options, futures and options on futures, swaps and forward currency exchange contracts. Investors should refer to Section 7 of the General Section for special risk considerations applicable to financial derivative instruments. It is not expected that the Sub-Fund will use EPM Techniques or TRS. If the Sub-Fund were to use EPM Techniques or TRS, the applicable limits would be specified in this Special Section.
- 1.15 In exceptional market situations, the Sub-Fund may temporarily hold up to 100% of its assets in cash.

## **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the US Dollar.

## **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## **4. VALUATION DAY**

The Net Asset Value of the Sub-Fund is determined on each day which is both a Business Day and a day on which the New York Stock Exchange is open.

## **5. DEALING**

- 5.1 Subscriptions of Shares will be effected each Valuation Day provided that the subscription notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day.
- 5.2 Payments for subscriptions must be received in the Reference Currency of the relevant Class, no later than three (3) Business Days after the relevant Valuation Day.
- 5.3 A Subscription Fee as set out under Section 6 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.
- 5.4 In the event that a Class, closed for subscriptions because all the Shares issued in that Class have been redeemed, is reopened for subscriptions or in the event that no Shares of a Class are subscribed during the Initial Offering Period, the Initial Subscription Price per Share of the Class concerned will, at the time of the launch of the Class (such time to be decided by the Board), or the subscription price per share at the time of reopening the Class, be equal to 100 units of the valuation currency of the Class concerned, i.e. USD 100, EUR 100, CHF 100 or GBP 100 and subscriptions to the relevant Class must be made pursuant to Sections 5.1 to 5.3 of this Special Section.
- 5.5 Redemptions of Shares will be effected each Valuation Day provided that the redemption notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before



the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day and processed on the next Valuation Day.

5.6 Redemptions will be paid by the Depository in the Reference Currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day.

5.7 A Redemption Fee as set out under Section 6 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund.

## 6. CLASSES AVAILABLE

For the time being, the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

Class of Shares	Eligible Investors	Currency	Minimum Subscription Amount	Minimum additional subscription	Subscription Fee	Redemption Fee	Conversion Fees	Management Fee	Distribution policy	Initial issue price
I USD	Institutional	USD	USD 250,000	USD 1,000	Up to 2% of the Net Asset Value per Share	Up to 0.5% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	0.80% maximum	Capitalisation (C) / Dividend (D)	USD 100
I GBP (Hedged)		GBP (Hedged)	GBP 250,000	GBP 1,000						GBP 100
I EUR (Hedged)		EUR (Hedged)	EUR 250,000	EUR 1,000						EUR 100
I CHF (Hedged)		CHF (Hedged)	CHF 250,000	CHF 1,000						CHF 100
I JPY (Hedged)		JPY (Hedged)	JPY 25,000,000	JPY 100,000						JPY 10,000
R USD	Retail	USD	USD 1,000	USD 500	Up to 5% of the Net Asset Value per Share	Up to 0.5% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	1.30% maximum		USD 100
R GBP (Hedged)		GBP (Hedged)	GBP 1,000	GBP 500						GBP 100
R EUR (Hedged)		EUR (Hedged)	EUR 1,000	EUR 500						EUR 100
R CHF (Hedged)		CHF (Hedged)	CHF 1,000	CHF 500						CHF 100
F GBP	Shares only available at the Management Company's discretion	GBP	GBP 25,000,000	GBP 100,000	Up to 5% of the Net Asset Value per Share	Up to 0.5% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	0.80% maximum	Dividend (D)	GBP 100
F GBP (Hedged)		GBP (Hedged)	GBP 25,000,000	GBP 100,000					Dividend (D)	GBP 100
F EUR (Hedged)		EUR (Hedged)	EUR 25,000,000	EUR 100,000					Capitalisation (C)	EUR 100

## 7. CONVERSION

7.1 Shares in the Sub-Fund may be converted on each Valuation Day.

7.2 Conversion requests must be received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

7.3 A Conversion Fee as set out under Section 6 of this Special Section may be levied to cover conversion costs.

## 8. INVESTMENT MANAGER

8.1 The Management Company has appointed Zazove Associates, LLC as the investment manager of the Sub-Fund (the **Investment Manager**) to carry out investment management services and be responsible for the investment activities of the Sub-Fund.

8.2 The Investment Manager is registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC). The Investment Manager, as successor to the investment management firm founded in 1971, is independent and employee owned. Since its inception, the Investment Manager

has been dedicated to providing investment management services to institutional and individual investors. It is solely dedicated to the convertible securities market. The Investment Manager's investment philosophy and process has been consistent over multiple market cycles.

- 8.3 The Investment Manager will be entitled to receive a portion of the Management Fee, as agreed from time to time in writing between the Management Company and the Investment Manager.

## 9. PROFILE OF THE TYPICAL INVESTOR

- 9.1 This Sub-Fund may be suitable for investors who are looking for long-term capital appreciation of their investment and who are willing to accept fluctuations (sometimes significant) in the Net Asset Value per Share of the Sub-Fund during the short term. The Sub-Fund may not be appropriate for investors who plan to sell their shares within 5 years. Investment in the Sub-Fund should be regarded as a long-term investment.

- 9.2 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## 10. SPECIFIC RISK FACTORS

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the following specific risk factors:

**Convertible debt:** The pricing of convertible debt involves an option component not present in non-convertible debt securities. In addition, convertible debt often has complex conversion, call and other material business terms. Because of such pricing complexities, the Investment Manager or the models it utilizes may not accurately identify under-valued convertible debt securities.

**Currency risk:** if the Sub-Fund invests directly in currencies other than the Reference Currency or in securities that trade in, and receive revenues in, currencies other than the Reference Currency, or in derivatives that provide exposure to currencies other than the Reference Currency, it will be subject to the risk that those currencies will decline in value relative to the Reference Currency, or, in the case of hedging positions, that the Reference Currency will decline in value relative to the currency being hedged. As a result, the Sub-Fund's investments in securities denominated in currencies other than the Reference Currency may reduce the Sub-Fund's returns.

**Credit risk:** A significant portion of the Sub-Fund's convertible securities will either carry a rating of less than BBB- by Standard & Poor's Corporation or Baa3 by Moody's Investor Service (*i.e.*, non-investment grade securities) or not be rated by the major credit rating agencies. These securities have a higher risk of default, tend to be more volatile and may be less liquid than that of convertible securities with investment grade credit ratings.

**Cash position risk:** to the extent that the Sub-Fund holds assets in cash, cash equivalents, and other short-term investments, the ability of the Sub-Fund to meet its objective may be limited.

**Derivatives risk:** the risk that an investment in derivatives will not perform as anticipated by the Investment Manager, cannot be closed out at a favourable time or price, or will increase the Sub-Fund's volatility; that derivatives may create investment leverage; that, when a derivative is used as a substitute for or alternative to a direct cash investment, the transaction may not provide a return that corresponds precisely with that of the cash investment; or that, when used for hedging purposes, derivatives will not provide the anticipated protection, causing the Sub-Fund to lose money on both the derivatives transaction and the exposure the Sub-Fund sought to hedge.

**Limited operating history risk:** the risk that a newly formed fund has no or a limited operating history to evaluate and may not attract sufficient assets to achieve or maximise investment and operational efficiencies.

**Liquidity risk:** the risk that low trading volume, lack of a market maker, or contractual or legal restrictions may limit or prevent the Sub-Fund from selling securities or closing derivative positions at desirable times or prices.

**Model Risk:** the risk that the quantitative valuation models developed by the Investment Manager become outdated or inaccurate as market dynamics (for example, due to changed market conditions and participants) shift over time. There can be no assurance that the Investment Manager will be successful in continuing to develop and maintain effective quantitative models.

**Market risk:** the risk that the overall market will perform poorly or that the returns from the securities in which the Sub-Fund invests will underperform returns from the general securities markets or other types of investments. Various external factors can affect the Sub-Fund's ability to achieve its objective, including, among other things, real and perceived economic conditions, business trends, world affairs and other factors outside the control of the Investment Manager. In addition, the value of the Sub-Fund's securities may be adversely affected by changes in prevailing interest rates and changes in the real or perceived credit risk associated with a particular issuer.

**Portfolio turnover risk:** the risk that frequent purchases and sales of portfolio securities may result in higher expenses and may result in larger distributions of taxable capital gains to investors as compared to a fund that trades less frequently.

**Price volatility risk:** the risk that the value of the Sub-Fund's investment portfolio will change, potentially frequently and in large amounts, as the prices of its investments go up or down.

**Selection risk:** the risk that the securities held by the Sub-Fund will underperform other funds investing in similar asset classes or comparable benchmarks because of the Investment Managers' choice of securities or sectors for investment.

**Manager risk:** The performance of the Sub-Fund is dependent upon the Investment Manager's skill in making appropriate investments. As a result, the Sub-Fund may underperform comparable benchmarks or its peers.

**Sustainability risks:** The Sub-Fund does not promote Environmental, Social or Governance (ESG) characteristics nor does it pursue a sustainability or impact objective per se. Sustainability risks are not systematically integrated in the investment strategy of the Sub-Fund due to its investment strategy and the nature of the Sub-Fund's underlying investments. Sustainability risks are currently not expected to systematically have a material impact on the returns of the Sub-Fund. The Sub-Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## 11. RISK MANAGEMENT

- 11.1 In accordance with the 2010 Law and applicable regulations, the Management Company uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

- 11.2 The Management Company uses the commitment approach to monitor and measure the Sub-Fund's global exposure. This approach measures the global exposure related to positions on financial derivative instruments (**FDIs**) which may not exceed the total Net Asset Value of the Sub-Fund.
- 11.3 Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI, following the ESMA's guidelines on risk measurement of global exposure and counterparty risk for UCITS published on 20 July 2010 as updated further to the ESMA Guidelines 2014/937.

## SPECIAL SECTION 4

### ALMA CAPITAL INVESTMENT FUNDS – ALMA PERDURANCE EUROPEAN EQUITY FUND

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to Alma Capital Investment Funds – Alma Perdurance European Equity Fund (the **Sub-Fund**).

#### 1. INVESTMENT OBJECTIVE AND POLICY

- 1.1 The investment objective of the Sub-Fund is to seek long-term capital appreciation and to outperform the [MSCI Europe ex-UK Total Return Net Index \(EUR\)](#) (the “**Benchmark**”). The Sub-Fund has significant discretion over the composition of its portfolio in terms of constituents and allocation; the holdings of the Sub-Fund may then deviate significantly from the constituents of the Benchmark.
- 1.2 The Sub-Fund intends to invest its assets principally in equity securities of European companies or non European companies whose shares trade on a European exchange or that the Investment Manager determines are otherwise actively traded in Europe. The Sub-Fund will seek to achieve its investment objective by investing in equity securities of all types of market capitalisation, with a focus on larger capitalisations.
- 1.3 The Sub-Fund seeks to benefit from buying stocks that it expects to outperform the Benchmark. Some of the factors considered by the Sub-Fund in its selection of investments are (a) the relative valuation of a company, (b) the liquidity of that company; and (c) the contribution that the stock would make to the conceptual diversification (and sectors, styles and geographies) of the portfolio as further detailed below in Section 1.3 (c).
- (a) **Valuation** – The Sub-Fund will adopt a bottom-up research process and conduct detailed financial analysis when researching and selecting undervalued stocks. This entails analysis of multiple years of company reports, generating a valuation comparison against peers, meeting the management of the company if possible, and understanding the valuation outlook ascribed by third party analysts.
- (b) **Liquidity** – The Sub-Fund will not invest in companies that the Investment Manager believes have very limited market liquidity in comparison with the liquidity terms offered to investors in the Sub-Fund. In order to determine the liquidity of a company, the Investment Manager analyses the total time to liquidate shares in a company by taking 30% of the average daily trading volume over the last 30 days on the primary exchange.
- (c) **Diversification** – The Sub-Fund will target a diversity of:
- (i) equity market sectors, such as healthcare, energy, utilities, consumer goods or financials;
  - (ii) investment styles such as growth (investing in companies which exhibit above-average growth even if they appear expensive relative to the market), value (investing in companies that appear to trade for less than their intrinsic value) or momentum (investing in companies that have experienced recent appreciation in relation to their share price or other metrics); and
  - (iii) geographies across Europe ex-UK.
- 1.4 The best environment for the Sub-Fund is when there is high dispersion across stock returns in a market where price movements are driven by the fundamental valuation of companies. This kind of

environment should reward the active stockpicking of the Sub-Fund. Since the Sub-Fund may invest in instruments quoted in other currencies than the Reference Currency of the Sub-Fund, currency forwards and currency spot transactions may be used for cash management and hedging purposes.

- 1.5 Equity securities include common and preferred stock, securities convertible into common or preferred stock such as convertible preferred stock, bonds and debentures; and rights or warrants to purchase common or preferred stock, as well as other securities with equity characteristics, such as investment companies and ETFs that invest primarily in equity securities, subject to the restrictions set out in Article 41 of the 2010 Law.
- 1.6 On an ancillary basis, the Sub-Fund may invest in assets other than equity securities. Those investments may include, without limitation, equity securities of issuers of any market capitalisation, fixed income instruments, floating rate obligations, short-term investments, such as money market securities, and cash. The Sub-Fund may not always be fully invested.
- 1.7 A maximum of 10% of the Sub-Fund's net assets may be invested in units or shares of UCITS or Other UCIs.
- 1.8 The Sub-Fund may invest in certain types of derivatives, including, but not limited to, forward currency exchange contracts for hedging purposes. Investors should refer to Section 7 of the General Section for special risk considerations applicable to financial derivative instruments. It is not expected that the Sub-Fund will use EPM Techniques or TRS. If the Sub-Fund were to use EPM Techniques or TRS, the applicable limits would be specified in this Special Section.
- 1.9 In exceptional market situations, the Sub-Fund may temporarily hold up to 100% of its assets in cash.

## **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the Euro.

## **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## **4. VALUATION DAY**

The Net Asset Value of the Sub-Fund is determined on each Business Day.

## **5. DEALING**

- 5.1 Subscriptions of Shares will be effected each Valuation Day provided that the subscription notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day.
- 5.2 Payments for subscriptions must be received in the Reference Currency of the relevant Class, no later than three (3) Business Days after the relevant Valuation Day.
- 5.3 A Subscription Fee as set out under Section 7 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.
- 5.4 Redemptions of Shares will be effected each Valuation Day provided that the redemption notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before

the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day and processed on the next Valuation Day.

- 5.5 Redemptions will be paid by the Depositary in the Reference Currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day.
- 5.6 A Redemption Fee as set out under Section 7 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund.

## 6. PERFORMANCE FEE

- 6.1 A Performance Fee will be calculated on a per Class of Shares basis so that each Class of Shares is charged a Performance Fee depending on the performance of that Class.
- 6.2 The Performance Fee will be calculated and payable in respect of each period starting on the Business Day immediately following the last Business Day of the calendar year when a Performance Fee was accrued and payable, and ending on the last Business Day of the calendar year (a “Calculation Period”). The Performance Fee is deemed to accrue on a daily basis as at each Valuation Day.
- 6.3 For each Calculation Period, the performance fee payable in respect of each Class of Shares in the Sub-Fund that are liable to pay a performance fee will be equal to a maximum of 20% of the appreciation in the gross asset value (the Net Asset Value not reduced by any Performance Fee accruals) for that Class of Shares for a Calculation Period above the Benchmark, adjusted for subscriptions and redemptions during the course of the Calculation Period. The Performance Fee is accrued even when the share class return (before deducting any accrued performance fees) is negative but less so than the benchmark return.
- 6.4 Any underperformance of a Class of Shares must be recovered before any Performance Fee for that Class of Shares becomes payable.
- 6.5 In case of redemptions during the Calculation Period, the corresponding Performance Fee (if any) will be crystallised and paid within 30 Business Days following the end of the month in which such redemption takes place.

Investors should note that the Sub-Fund does not perform equalisation for the purposes of determining the Performance Fee. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Calculation Period. Potential investors and the Shareholders should fully understand the Performance Fee methodology when considering an investment in the Sub-Fund.

Example of how the Performance Fee is calculated:

Calendar year	Gross asset value return	Gross asset value per Share at the end of the calendar year	Benchmark return	Benchmark value at the end of the calendar year	Performance Fee rate	Performance Fee due	NAV per share at the end of the calendar year
Year 1	10%	110.00	5%	105.00	20%	$(110-105)*20\% = 1.00$ per share	109.00
Year 2	8%	117.72	12%	122.08	20%	None	117.72
Year 3	14%	134.20	9%	133.07	20%	$(134.20-133.07)*20\% = 0.23$ per share	133.97
Year 4	-2%	131.29	-5%	127.28	20%	$(131.29-127.28)*20\% = 0.80$ per share	130.49

## 7. CLASSES AVAILABLE

7.1 There are for the time being the following Classes available for subscription by the investors in the Sub-Fund with the following characteristics:

Class of Shares	Eligible Investors	Currency	Minimum Subscription Amount	Minimum additional subscription	Subscription Fee	Redemption Fee	Conversion Fees	Management Fee	Performance Fee	Distribution policy	Initial issue price
I EUR	Institutional	EUR	EUR 250,000	EUR 1,000	Up to 2% of the Net Asset Value per Share			0.80% maximum	20% maximum of the performance over the Benchmark (see clause 6 of this Special Section for details of the calculation)	Capitalisation (C) / Dividend (D)	EUR 100
I GBP (Hedged)		GBP (Hedged)	GBP 250,000	GBP 1,000							GBP 100
I USD (Hedged)		USD (Hedged)	USD 250,000	USD 1,000							USD 100
I CHF (Hedged)		CHF (Hedged)	CHF 250,000	CHF 1,000							CHF 100
R EUR	Retail	EUR	EUR 1,000	EUR 500	Up to 0.5% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	1.30% maximum				EUR 100
R GBP (Hedged)		GBP (Hedged)	GBP 1,000	GBP 500							GBP 100
R USD (Hedged)		USD (Hedged)	USD 1,000	USD 500							USD 100
R CHF (Hedged)		CHF (Hedged)	CHF 1,000	CHF 500							CHF 100
F EUR	Shares only available at the Management Company's discretion	EUR	EUR 25,000,000	EUR 100,000	Up to 5% of the Net Asset Value per Share			0.80% maximum			EUR 100
F GBP (Hedged)		GBP (Hedged)	GBP 25,000,000	GBP 100,000							GBP 100
F USD (Hedged)		USD (Hedged)	USD 25,000,000	USD 100,000							USD 100
F CHF (Hedged)		CHF (Hedged)	CHF 25,000,000	CHF 100,000							CHF 100

## 8. CONVERSION

8.1 Shares in the Sub-Fund may be converted on each Valuation Day.

8.2 Conversion requests must be received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

8.3 A Conversion Fee as set out under Section 7 of this Special Section may be levied to cover conversion costs.

## 9. INVESTMENT MANAGER

9.1 The Management Company has appointed Perdurance Asset Management Limited as the investment manager of the Sub-Fund (the **Investment Manager**) to carry out investment management services and be responsible for the investment activities of the Sub-Fund.

9.2 The Investment Manager was established in Jersey in 2014 and is regulated by the Jersey Financial Services Commission to carry on fund services business under the Financial Services (Jersey) Law 1998.

9.3 The Investment Manager will be entitled to receive a portion of the Management Fee and Performance Fee as agreed from time to time in writing between the Management Company and the Investment Manager.

## 10. PROFILE OF THE TYPICAL INVESTOR

10.1 This Sub-Fund may be suitable for investors who are looking for long-term capital appreciation of their investment and who are willing to accept fluctuations (sometimes significant) in the Net Asset Value per Share of the Sub-Fund during the short term.



- 10.2 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## 11. SPECIFIC RISK FACTORS

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the following specific risk factors:

**Cash position risk:** to the extent that the Sub-Fund holds assets in cash, cash equivalents, and other short-term investments, the ability of the Sub-Fund to meet its objective may be limited.

**Derivatives risk:** the risk that an investment in derivatives will not perform as anticipated by the Investment Manager, cannot be closed out at a favourable time or price, or will increase the Sub-Fund's volatility; that derivatives may create investment leverage; that, when a derivative is used as a substitute for or alternative to a direct cash investment, the transaction may not provide a return that corresponds precisely with that of the cash investment; or that, when used for hedging purposes, derivatives will not provide the anticipated protection, causing the Sub-Fund to lose money on both the derivatives transaction and the exposure the Sub-Fund sought to hedge.

**Equity issuer risk:** the risk that the value of a company's stock will decline in value in response to factors affecting that company, that company's industry, or the market generally.

**Investment company and exchange traded fund risk:** the risk that an investment company, including any exchange-traded fund (ETF), in which the Sub-Fund invests will not achieve its investment objective or execute its investment strategies effectively or that large purchase or redemption activity by shareholders of such an investment company might negatively affect the value of the investment company's shares. The Sub-Fund must pay its pro rata portion of an investment company's fees and expenses.

**Limited operating history risk:** the risk that a newly formed fund has no or a limited operating history to evaluate and may not attract sufficient assets to achieve or maximise investment and operational efficiencies.

**Liquidity risk:** the risk that low trading volume, lack of a market maker, or contractual or legal restrictions may limit or prevent the Sub-Fund from selling securities or closing derivative positions at desirable times or prices.

**Market risk:** the risk that the overall market will perform poorly or that the returns from the securities in which the Sub-Fund invests will underperform returns from the general securities markets or other types of investments.

**Portfolio turnover risk:** the risk that frequent purchases and sales of portfolio securities may result in higher expenses and may result in larger distributions of taxable capital gains to investors as compared to a fund that trades less frequently.

**Price volatility risk:** the risk that the value of the Sub-Fund's investment portfolio will change, potentially frequently and in large amounts, as the prices of its investments go up or down.

**Selection risk:** the risk that the securities held by the Sub-Fund will underperform other funds investing in similar asset classes or comparable benchmarks because of the Investment Managers' choice of securities or sectors for investment.

**Manager risk:** The performance of the Sub-Fund is dependent upon the Investment Manager's skill in making appropriate investments. As a result, the Sub-Fund may underperform comparable benchmarks or its peers.

**Sustainability risks:** The Sub-Fund does not promote Environmental, Social or Governance (ESG) characteristics nor does it pursue a sustainability or impact objective per se. Sustainability risks are not systematically integrated in the investment strategy of the Sub-Fund due to its investment strategy and the nature of the Sub-Fund's underlying investments. Sustainability risks are currently not expected to systematically have a material impact on the returns of the Sub-Fund. The Sub-Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **12. FRENCH SHARE SAVINGS PLAN (PEA)**

The Sub-Fund may be held within a Plan d'Épargne en Actions (PEA) in France. The Sub-Fund undertakes to permanently invest at least 75% of its assets in securities listed in (a) and (b) of I. – 1° of Article L.221-31 of the French Monetary and Financial Code.

## **13. RISK MANAGEMENT**

- 13.1 In accordance with the 2010 Law and applicable regulations, the Management Company uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.
- 13.2 The Management Company uses the commitment approach to monitor and measure the Sub-Fund's global exposure. This approach measures the global exposure related to positions on financial derivative instruments (**FDIs**) which may not exceed the total Net Asset Value of the Sub-Fund.

Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI, following the ESMA's guidelines on risk measurement of global exposure and counterparty risk for UCITS published on 20 July 2010 as updated further to the ESMA Guidelines 2014/937.

## SPECIAL SECTION 5

### ALMA CAPITAL INVESTMENT FUNDS – ALMA RECURRENT GLOBAL NATURAL RESOURCES FUND

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to Alma Capital Investment Funds – Alma Recurrent Global Natural Resources Fund (the **Sub-Fund**).

#### 1. INVESTMENT OBJECTIVE AND POLICY

1.1 The investment objective of the Sub-Fund is to seek total return.

1.2 The Sub-Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets in publicly traded equity and debt securities of global natural resource-related companies. Natural resource-related companies are companies operating in a capacity related to the supply, production, distribution, refining, transportation and consumption of natural resources. The Sub-Fund will consider a company a natural resource-related company if the company is categorized within the following industries (according to Global Industry Classification Standards (GICS) classifications): chemicals, construction materials, containers & packaging, energy equipment & services, metals & mining, oil, gas & consumable fuels, and paper & forest products and include the following:

- *Energy companies* – companies across the energy supply chain spectrum, including upstream, midstream and downstream energy companies (i.e., companies engaged in exploration and production; gathering, transporting and processing, and marketing and distribution, respectively), of various energy sources such as natural gas, crude oil, refined products, coal and electricity, as well as companies that provide services to oil and gas companies.
- *Basic materials* – companies involved in producing, processing, transporting or distributing chemical, industrial metals, precious metals, construction materials, agricultural, paper and forest products.
- *Industrial companies* – industrial, containers and packaging, consumer, manufacturing and engineering and construction companies involved in the production, processing, distributing and transporting of natural resources.
- *Infrastructure companies* – companies which manufacture, install, own, operate or service assets that enable the connectivity of the supply and demand of natural resources.
- *Transportation and logistics companies* – companies that provide solutions for transportation and logistics to the U.S. manufacturing industry.

The Sub-Fund may invest in companies of any market capitalization size including a company's first offering of stock to the public in an initial public offering ("IPO").

The Investment Manager has an investment process that incorporates macroeconomic and commodity supply/demand factors with fundamental company analysis to select the Sub-Fund's investments and determine the weighting of each investment.

1.3 The Sub-Fund may invest up to 25% of its total assets in debt securities, preferred stock and convertible securities of global natural resource-related companies, provided that such securities are rated, at the time of investment, at least B3 by Moody's Investors Service, Inc., B- by Standard & Poor's or Fitch Ratings, or a comparable rating by another recognized statistical rating organization or with respect to up to 10% of its total assets in debt securities, preferred stock and convertible securities, have lower

ratings or are unrated at the time of investment. The Sub-Fund may invest in debt securities of any maturity or duration.

- 1.4 A maximum of 10% of the Sub-Fund's net assets may be invested in units or shares of UCITS or Other UCIs.
- 1.5 Portfolio securities may be sold at any time. Sales may occur when the Investment Manager determines to take advantage of what the Investment Manager considers to be a better investment opportunity, when the Investment Manager believes the portfolio securities no longer represent relatively attractive investment opportunities, when the Investment Manager perceives deterioration in the fundamentals of the issuer, when the Investment Manager believes the intermediate and long-term prospects for the issuer are poor, or when the individual security has reached the Investment Manager's sell target.
- 1.6 The Sub-Fund may invest in certain types of derivatives, including, but not limited to, options, futures and options on futures, swaps and forward currency exchange contracts. Investors should refer to Section 7 of the General Section for special risk considerations applicable to financial derivative instruments. It is not expected that the Sub-Fund will use EPM Techniques or TRS. If the Sub-Fund were to use EPM Techniques or TRS, the applicable limits would be specified in this Special Section.
- 1.7 In exceptional market situations, the Sub-Fund may temporarily hold up to 100% of its assets in cash.
- 1.8 Sustainability factors are integrated in the investment process of the Sub-Fund. The Investment Manager seeks to achieve its objectives using a bottom-up methodology that primarily incorporates valuation in the selection of equity securities. The Investment Manager also incorporates several ESG metrics as a qualitative overlay on the selection of investments, to ensure that the Fund is not taking excessive or unnecessary risk by investing in companies whose poor sustainability practices may pose a threat to those companies' long-term value creation.

The Investment Manager intends to exclude companies engaged in certain activities which are deemed as harmful from an environmental or social perspective. These activities include the production of tobacco, which is excluded from the investible universe, as well as companies engaged in the production of firearms or small arms to civilian, military, or law enforcement customers. Additionally, the Investment Manager will exclude any company that derives 25% or more of its revenues from the sale of thermal coal, the highest carbon-emitting source of energy in the global fossil fuel industry.

The Investment Manager will encourage all companies in its investible universe to publish ESG metrics for the use of the investment community. The Investment Manager will generally exclude companies from its investible universe if these metrics reveal systemic poor environmental, social and governance practices ("ESG"), as reflected in third-party governance rankings falling below the 25th percentile.

In the event that a given company has third-party Environmental and Social scores that fall below the 50th percentile in their relative sector rankings, the portfolio managers may adjust the discount rate used in valuing those investments, in order to reflect the higher required return from companies with below-average. In the event of consistently poor scores, or a lack of improvement in Environmental and Social scores over time, companies may be excluded from our investible universe.

The Fund actively seeks to reduce, over time, the holdings of companies without ESG disclosures. The Fund will measure quarterly aggregate ESG rankings, key governance indicators, and the GHG and energy intensity of its holdings, and put the companies in the bottom quartile of these indicators on a list to be reviewed for potential sale.

- 1.9 Sustainability risks are integrated within the investment process of the Sub-Fund as described above. It is assessed that the sustainability risks that the Sub-Fund may be subject to are likely to have an

immaterial impact on the value of its investments in the medium to long term due to the mitigating nature of the Sub-Fund's integration of sustainability factors.

Based on the above, the Sub-Fund is considered as qualifying as a financial product promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, under Article 8 of the European Regulation on sustainability - related disclosures in the financial services sector (SFDR). No index has been designated as a reference benchmark.

## **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the US Dollar.

## **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## **4. VALUATION DAY**

The Net Asset Value of the Sub-Fund is determined on each day which is both a Business Day and a day on which the New York Stock Exchange is open.

## **5. DEALING**

- 5.1 Subscriptions of Shares will be effected each Valuation Day provided that the subscription notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day.
- 5.2 Payments for subscriptions must be received in the Reference Currency of the relevant Class, no later than three (3) Business Days after the relevant Valuation Day.
- 5.3 A Subscription Fee as set out under Section 6 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.
- 5.4 In the event that a Class, closed for subscriptions because all the Shares issued in that Class have been redeemed, is reopened for subscriptions or in the event that no Shares of a Class are subscribed during the Initial Offering Period, the Initial Subscription Price per Share of the Class concerned will, at the time of the launch of the Class (such time to be decided by the Board), or the subscription price per share at the time of reopening the Class, be equal to 100 units of the valuation currency of the Class concerned, i.e. USD 100, CHF 100, EUR 100 or GBP 100 and subscriptions to the relevant Class must be made pursuant to Sections 5.1 to 5.3 of this Special Section.
- 5.5 Redemptions of Shares will be effected each Valuation Day provided that the redemption notice has been received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day and processed on the next Valuation Day.
- 5.6 Redemptions will be paid by the Depositary in the Reference Currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day.
- 5.7 A Redemption Fee as set out under Section 6 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund.

## 6. CLASSES AVAILABLE

For the time being, the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

Class of Shares	Eligible Investors	Currency	Minimum Subscription Amount	Minimum additional subscription	Subscription Fee	Redemption Fee	Conversion Fees	Management Fee	Distribution policy	Initial issue price
I EUR	Institutional	EUR	EUR 250,000	EUR 1,000	Up to 2% of the Net Asset Value per Share			0.95% maximum		EUR 100
I USD		USD	USD 250,000	USD 1,000						USD 100
I GBP (Hedged)		GBP (Hedged)	GBP 250,000	GBP 1,000						GBP 100
I EUR (Hedged)		EUR (Hedged)	EUR 250,000	EUR 1,000						EUR 100
I CHF (Hedged)		CHF (Hedged)	CHF 250,000	CHF 1,000						CHF 100
R USD	Retail	USD	USD 1,000	USD 500	Up to 0.5% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	1.45% maximum	Capitalisation (C) / Dividend (D)	USD 100
R GBP (Hedged)		GBP (Hedged)	GBP 1,000	GBP 500						GBP 100
R EUR (Hedged)		EUR (Hedged)	EUR 1,000	EUR 500						EUR 100
R CHF (Hedged)		CHF (Hedged)	CHF 1,000	CHF 500						CHF 100
F USD	Shares only available at the Management Company's discretion	USD	USD 25,000,000	USD 100,000	Up to 5% of the Net Asset Value per Share			0.95% maximum		USD 100
F GBP (Hedged)		GBP (Hedged)	GBP 25,000,000	GBP 100,000						GBP 100
F EUR (Hedged)		EUR (Hedged)	EUR 25,000,000	EUR 100,000						EUR 100
F CHF (Hedged)		CHF (Hedged)	CHF 25,000,000	CHF 100,000						CHF 100

## 7. CONVERSION

- 7.1 Shares in the Sub-Fund may be converted on each Valuation Day.
- 7.2 Conversion requests must be received by the Administrative Agent no later than 12:00pm CET one (1) Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.
- 7.3 A Conversion Fee as set out under Section 6 of this Special Section may be levied to cover conversion costs.

## 8. INVESTMENT MANAGER

- 8.1 The Management Company has appointed Recurrent Investment Advisors, LLC as the investment manager of the Sub-Fund (the **Investment Manager**) to carry out investment management services and be responsible for the investment activities of the Sub-Fund.
- 8.2 The Investment Manager was formed in April 2017 and is registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC). The Investment Manager is primarily owned by its co-founders.
- 8.3 The Investment Manager will be entitled to receive a portion of the Management Fee as agreed from time to time in writing between the Management Company and the Investment Manager.

## 9. PROFILE OF THE TYPICAL INVESTOR

- 9.1 This Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are looking for long-term capital appreciation of their investment and who are willing

to accept fluctuations (sometimes significant) in the Net Asset Value per Share of the Sub-Fund during the short term.

- 9.2 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## 10. SPECIFIC RISK FACTORS

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the following specific risk factors:

**Cash position risk:** to the extent that the Sub-Fund holds assets in cash, cash equivalents, and other short-term investments, the ability of the Sub-Fund to meet its objective may be limited.

**Currency risk:** if the Sub-Fund invests directly in currencies other than the Reference Currency or in securities that trade in, and receive revenues in, currencies other than the Reference Currency, or in derivatives that provide exposure to currencies other than the Reference Currency, it will be subject to the risk that those currencies will decline in value relative to the Reference Currency, or, in the case of hedging positions, that the Reference Currency will decline in value relative to the currency being hedged. As a result, the Sub-Fund's investments in securities denominated in currencies other than the Reference Currency may reduce the Sub-Fund's returns.

**Capitalisation risk:** small and mid-cap companies as a group could fall out of favor with the market, causing the Sub-Fund to underperform investments that focus on the broader market. The Sub-Fund will predominantly invest in the securities of small and mid-cap companies. Investment in small and mid-cap companies may involve more risk than investing in larger, more established companies. Small and mid-cap companies may have limited product lines or markets. They may be less financially secure than larger, more established companies. They may depend on a small number of key personnel. Should a product fail, or if management changes, or if there are other adverse developments, the Sub-Fund's investment in a small or mid-cap company may lose substantial value.

**Commodities risk:** exposure to commodities markets may subject the Sub-Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of energy, industrial metals, precious metals, agriculture, and livestock sector commodities may fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

**Depository receipts risk:** depository receipts in which the Sub-Fund may invest are receipts listed on U.S. exchanges that are issued by banks or trust companies that entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares. Investments in depository receipts may be less liquid than the underlying shares in their primary trading market.

**Derivatives risk:** the risk that an investment in derivatives will not perform as anticipated by the Investment Manager, cannot be closed out at a favourable time or price, or will increase the Sub-Fund's volatility; that derivatives may create investment leverage; that, when a derivative is used as a substitute for or alternative to a direct cash investment, the transaction may not provide a return that corresponds precisely with that of the cash investment; or that, when used for hedging purposes, derivatives will not provide the anticipated protection, causing the Sub-Fund to lose money on both the derivatives transaction and the exposure the Sub-Fund sought to hedge.

**Equity issuer risk:** the risk that the value of a company's stock will decline in value in response to factors affecting that company, that company's industry, or the market generally.

**Investment company and exchange traded fund risk:** the risk that an investment company, including any exchange-traded fund ("ETF"), in which the Sub-Fund invests will not achieve its investment objective or execute its investment strategies effectively or that large purchase or redemption activity by shareholders of such an investment company might negatively affect the value of the investment company's shares. The Sub-Fund must pay its pro rata portion of an investment company's fees and expenses.

**IPO risk:** the market value of IPO shares could fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the issuer. When the Sub-Fund's asset base is small, a significant portion of the Sub-Fund's performance could be attributable to investments in IPOs, because such investments would have a magnified impact on the Sub-Fund. As the Sub-Fund's assets grow, the effect of the Sub-Fund's investment in IPOs on the Sub-Fund's performance probably will decline, which could reduce the Sub-Fund's performance.

**Limited operating history risk:** the risk that a newly formed fund has no or a limited operating history to evaluate and may not attract sufficient assets to achieve or maximise investment and operational efficiencies.

**Liquidity risk:** the risk that low trading volume, lack of a market maker, or contractual or legal restrictions may limit or prevent the Sub-Fund from selling securities or closing derivative positions at desirable times or prices.

**Manager risk:** The performance of the Sub-Fund is dependent upon the Investment Manager's skill in making appropriate investments. As a result, the Sub-Fund may underperform comparable benchmarks or its peers.

**Market risk:** the risk that the overall market will perform poorly or that the returns from the securities in which the Sub-Fund invests will underperform returns from the general securities markets or other types of investments.

**Natural resources sector focus risk:** the Sub-Fund focuses its investments in the natural resources sector which is comprised of natural resources, energy, industrial, consumer, infrastructure and logistics companies, and will therefore be susceptible to adverse economic, environmental, business, regulatory or other occurrences affecting that sector. The natural resources sector has historically experienced substantial price volatility. At times, the performance of these investments may lag the performance of other sectors or the market as a whole. Companies operating in the natural resources sector are subject to specific risks, including, among others, fluctuations in commodity prices; reduced consumer demand for commodities such as oil, natural gas or petroleum products; reduced availability of natural gas or other commodities for transporting, processing, storing or delivering; slowdowns in new construction; domestic and global competition, extreme weather or other natural disasters; and threats of attack by terrorists on energy assets. Additionally, natural resource sector companies are subject to substantial government regulation, including environmental regulation and liability for environmental damage, and changes in the regulatory environment for energy companies may adversely impact their profitability. Over time, depletion of natural gas reserves and other natural resources reserves may also affect the profitability of natural resources companies.

**Portfolio turnover risk:** the risk that frequent purchases and sales of portfolio securities may result in higher expenses and may result in larger distributions of taxable capital gains to investors as compared to a fund that trades less frequently.



**Price volatility risk:** the risk that the value of the Sub-Fund's investment portfolio will change, potentially frequently and in large amounts, as the prices of its investments go up or down.

**Risks associated with investments in fixed income securities:**

*Call risk*

Call risk is the possibility that an issuer may redeem a fixed income security before maturity (a call) at a price below its current market price. An increased likelihood of a call may reduce the security's price. If a fixed income security is called, the Sub-Fund may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks, or other less favourable characteristics.

*Credit risk*

Credit risk (also called default risk) is the risk that the issuer of a security will not be able to make principal and interest payments on a debt issue. The credit ratings of issuers could change and negatively affect the Sub-Fund's share price or yield.

*Interest rate risk*

If interest rates rise, bond prices will fall. The longer the maturity of a bond, the more sensitive a bond's price will be to changes in interest rates. In other words, a long-term bond (30-year) will have greater price sensitivity than a short-term bond (2-year). Short-term and long-term bond prices and interest rates do not typically move the same amount or for the same reasons. Interest rate changes will impact high yield bonds in different ways depending on credit ratings. BB rated bonds are more vulnerable to prevailing rates and act more like their investment grade counterparts. For bonds rated B and below, credit risk is more significant than interest rate risk. The value of securities with variable interest rates are generally less sensitive to interest rate changes than fixed rate securities. However, variable rate securities may decrease in value if prevailing rates decrease or if variable rates do not rise as much as rates in general.

*Liquidity risk*

When there is no willing buyer and investments cannot be readily sold at the desired time or price, the Sub-Fund may need to accept a lower price or may not be able to sell the security at all. An inability to sell securities can adversely affect the Sub-Fund's value or prevent the Sub-Fund from being able to take advantage of other investment opportunities. Recent instability in certain credit and fixed income markets has adversely affected and is expected to continue to affect the liquidity of certain asset classes of securities including, in particular, certain types of asset-backed, mortgage-backed and real estate related securities. Less liquid securities are more difficult to dispose of at their recorded values and are subject to increased spreads and volatility.

**Risks associated with investments in below investment grade (high yield) securities:** bonds and other fixed income securities are rated by ratings agencies. These ratings generally assess the ability of the issuer to pay principal and interest. Issuers of securities that are rated below investment grade (i.e., Baa By Moody's or lower, or the equivalent by any other recognised statistical rating organisation) and their unrated equivalents are typically in poor financial health, and their ability to pay interest and principal is uncertain. The prices of such securities may be more vulnerable to bad economic news, or even the expectation of bad news, than higher rated or investment grade bonds and other fixed income securities.

**Selection risk:** the risk that the securities held by the Sub-Fund will underperform other funds investing in similar asset classes or comparable benchmarks because of the Investment Managers' choice of securities or sectors for investment.

**Sustainability risk:** Sustainability risk is managed as part of the overall risk management process adopted by the Investment Manager as opposed to applying absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category. This includes managing risk through appropriate diversification of investments held by the Fund and ensuring that the risk of any one sector or industry group is not significant.

The Management Company, in conjunction with the Investment Manager, does not consider the principal adverse impacts of its investment decisions on sustainability factors in respect of the sub-fund on the basis that, in the context of the investment strategy of the sub-fund, it is not possible to conduct detailed diligence on the principal adverse impacts of the investment decisions on sustainability factors.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The articles 5 and 6 of the “Taxonomy Regulation” (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020) require that financial products which comply with article 8 of SFDR and that promote environmental characteristics disclose information on the environmental objective or environmental objectives set out in Article 9 of the Taxonomy Regulation to which the investment underlying the financial product contributes and a description of how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation.

Although this sub-fund qualifies as an article 8 fund with regards to SFDR, it does not explicitly promote environmental characteristics. As a consequence, the requirement for disclosure for the Taxonomy Regulation as listed in the above paragraph does not apply.

## **11. RISK MANAGEMENT**

- 11.1 In accordance with the 2010 Law and applicable regulations, the Management Company uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.
- 11.2 The Management Company uses the commitment approach to monitor and measure the Sub-Fund's global exposure. This approach measures the global exposure related to positions on financial derivative instruments (**FDIs**) which may not exceed the total Net Asset Value of the Sub-Fund.

Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI, following the ESMA's guidelines on risk measurement of global exposure and counterparty risk for UCITS published on 20 July 2010 as updated further to the ESMA Guidelines 2014/937.

## SPECIAL SECTION 6

### ALMA CAPITAL INVESTMENT FUNDS – ALMA HOTCHKIS & WILEY GLOBAL VALUE EQUITY FUND

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to Alma Capital Investment Funds – Alma Hotchkis & Wiley Global Value Equity Fund (the **Sub-Fund**).

#### 1. INVESTMENT OBJECTIVE AND POLICY

- 1.1 The investment objective of the Sub-Fund is to seek capital appreciation. The Sub-Fund intends to invest its assets principally in equity securities. The Sub-Fund invests in companies of any size market capitalisation. The Sub-Fund will allocate its assets among various regions and countries (but in no less than three different countries). Under normal circumstances, the Sub-Fund will invest at least 40% of its net assets in the equity securities of companies located outside of the U.S. The Sub-Fund will invest primarily in companies located in developed countries, but may invest up to 20% of its assets in emerging markets. The Investment Manager determines where a company is located, and thus whether a company is located outside the U.S. or in an emerging market, by referring to: its primary stock exchange listing; where it is registered, organized or incorporated; where its headquarters are located; where it derives at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed; or where at least 50% of its assets are located.
- 1.2 The Sub-Fund seeks to invest in stocks whose future prospects are misunderstood or not fully recognized by the market. The Sub-Fund employs a fundamental value investing approach which seeks to exploit market inefficiencies created by irrational investor behavior. To identify these investment opportunities, the Sub-Fund employs a disciplined, bottom-up investment process highlighted by rigorous, internally-generated fundamental research. With the exception of diversification guidelines, the Sub-Fund does not employ predetermined rules for sales; rather, the Sub-Fund evaluates each sell candidate based on the candidate's specific risk and return characteristics which include: 1) relative valuation; 2) fundamental operating trends; 3) deterioration of fundamentals; and 4) diversification guidelines.
- 1.3 Equity securities include common and preferred stock, securities convertible into common or preferred stock such as convertible preferred stock, bonds and debentures; and rights or warrants to purchase common or preferred stock, as well as other securities with equity characteristics, such as investment companies and ETFs that invest primarily in equity securities, subject to the restrictions set out in Article 41 of the 2010 Law. In addition to purchasing equity securities on exchanges where the companies are located, the Sub-Fund may purchase equity securities on exchanges other than where their companies are domiciled (often traded as dual listed securities) or in the form of Depositary Receipts, which include American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) or similar securities.
- 1.4 The Sub-Fund may attempt to hedge currency exchange risk associated with securities denominated in various currencies other than the Reference Currency by entering into currency contracts, such as spot, forward and futures. There is no assurance that these hedging transactions will be successful or that such hedging transactions will not themselves generate losses.
- 1.5 A maximum of 10% of the Sub-Fund's net assets may be invested in units or shares of UCITS or Other UCIs.
- 1.6 At times, the Investment Manager may judge that market conditions may make pursuing the Sub-Fund's investment strategies inconsistent with the best interests of its shareholders. The Investment Manager then may, but is not required to, temporarily use alternative strategies that are mainly

designed to limit the Sub-Fund's losses. In implementing these strategies, the Sub-Fund may invest primarily in, among other things, U.S. Government and agency obligations, fixed or floating rate investments, cash or Money Market Instruments, or any other securities the Investment Manager considers consistent with such defensive strategies. During this period, the Sub-Fund may not achieve its investment objective.

1.7 The Sub-Fund may invest in certain types of derivatives, including, but not limited to, options, futures and options on futures, swaps and forward currency exchange contracts. Investors should refer to Section 7 of the General Section for special risk considerations applicable to financial derivative instruments. It is not expected that the Sub-Fund will use EPM Techniques or TRS. If the Sub-Fund were to use EPM Techniques or TRS, the applicable limits would be specified in this Special Section.

1.8 As part of its investment process, the Investment Manager integrates sustainability risks into its bottom-up fundamental value process. This is materialized by the review of ESG and responsible investment considerations and the integration by the investment analysts of any environmental, social, or governance issue/practice that he believes could impact materially the sustainability and/or economics of the business into his analysis.

ESG issues are also factor into the peer review portion of the process through their fundamental risk ratings, which incorporate ESG factors.

1.9 All investment decisions compare the discount to intrinsic value with the risk profile. To help quantify the risk profile, the Investment Manager has adopted a proprietary scoring methodology-fundamental risk ratings.

Investment risk is scored on three factors:

- Business quality;
- Balance sheet strength; and
- Governance.

Scores range from 1 (best) to 5 (worst).

Environmental and social factors are incorporated into the business quality score and governance is incorporated in the governance score. The scores are determined by sector teams after thorough debate.

Third party ratings/research are used as a reference and source of information (primarily MSCI's ESG Manager platform), but the Investment Manager reserves the right to disagree with vendor ratings and creates his own independent decisions.

1.10 With regards to engagement, the Investment Manager meets with management teams across the globe. It does not take a uniform approach to interviewing company management, because each company and each management team is unique. If it determines that an ESG factor influences a company's intrinsic value or risk profile, it will address the issue with management. The Investment Manager considers itself as active owner but not as an activist investor.

A formal proxy voting policy is in place, that outlines voting guidelines and procedures, including explicitly addressing ESG issues. To assist in this effort, the Investment Manager has engaged third party research from Institutional Shareholder Service ("ISS"). The research analysts consider the recommendations of both the board and ISS before independently submitting the proxy vote.

- 1.11 The Investment Manager will not invest in cluster munitions manufacturing companies in the Sub-Fund.
- 1.12 Based on the above, the Sub-Fund is considered as qualifying as a financial product promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, under Article 8 of the European Regulation on sustainability - related disclosures in the financial services sector (SFDR). No index has been designated as a reference benchmark.
- 1.13 In exceptional market situations, the Sub-Fund may temporarily hold up to 100% of its assets in cash.

## **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the US Dollar.

## **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## **4. VALUATION DAY**

The Net Asset Value of the Sub-Fund is determined on each day which is both a Business Day and a day on which the New York Stock Exchange is open.

## **5. DEALING**

- 5.1 Subscriptions of Shares will be effected each Valuation Day provided that the subscription notice has been received by the Administrative Agent no later than 5:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day.
- 5.2 Payments for subscriptions must be received in the Reference Currency of the relevant Class, no later than three (3) Business Days after the relevant Valuation Day.
- 5.3 A Subscription Fee as set out under Section 6 of this Special Section may be levied upon subscription for Shares of the Sub-Fund.
- 5.4 In the event that a Class, closed for subscriptions because all the Shares issued in that Class have been redeemed, is reopened for subscriptions or in the event that no Shares of a Class are subscribed during the Initial Offering Period, the Initial Subscription Price per Share of the Class concerned will, at the time of the launch of the Class (such time to be decided by the Board), or the subscription price per share at the time of reopening the Class, be equal to 100 units of the valuation currency of the Class concerned, i.e. USD 100, CHF 100, EUR 100 or GBP 100 and subscriptions to the relevant Class must be made pursuant to Sections 5.1 to 5.3 of this Special Section.
- 5.5 Redemptions of Shares will be effected each Valuation Day provided that the redemption notice has been received by the Administrative Agent no later than 5:00pm CET one (1) Business Day before the relevant Valuation Day. Applications received after that time will be considered for the following Valuation Day and processed on the next Valuation Day.
- 5.6 Redemptions will be paid by the Depositary in the Reference Currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day.
- 5.7 A Redemption Fee as set out under Section 6 of this Special Section may be levied upon redemptions of Shares of the Sub-Fund.

## 6. CLASSES AVAILABLE

6.1 There are for the time being the following Classes available for subscription by the investors in the Sub-Fund with the following characteristics:

Class of Shares	Eligible Investors	Currency	Minimum Subscription Amount	Minimum additional subscription	Subscription Fee	Redemption Fee	Conversion Fees	Management Fee	Distribution policy	Initial issue price
I USD	Institutional	USD	USD 250,000	USD 1,000	Up to 2% of the Net Asset Value per Share			0.85% maximum		USD 100
I GBP (Hedged)		GBP (Hedged)	GBP 250,000	GBP 1,000						GBP 100
I EUR (Hedged)		EUR (Hedged)	EUR 250,000	EUR 1,000						EUR 100
I CHF (Hedged)		CHF (Hedged)	CHF 250,000	CHF 1,000						CHF 100
R USD	Retail	USD	USD 1,000	USD 500		Up to 0.5% of the Net Asset Value per Share	Up to 1% of the Net Asset Value per Share	1.35% maximum	Capitalisation (C) / Dividend (D)	USD 100
R GBP (Hedged)		GBP (Hedged)	GBP 1,000	GBP 500						GBP 100
R EUR (Hedged)		EUR (Hedged)	EUR 1,000	EUR 500						EUR 100
R CHF (Hedged)		CHF (Hedged)	CHF 1,000	CHF 500						CHF 100
F USD	Shares only available at the Management Company's discretion	USD	USD 25,000,000	USD 100,000	Up to 5% of the Net Asset Value per Share			0.85% maximum		USD 100
F GBP (Hedged)		GBP (Hedged)	GBP 25,000,000	GBP 100,000						GBP 100
F EUR (Hedged)		EUR (Hedged)	EUR 25,000,000	EUR 100,000						EUR 100
F CHF (Hedged)		CHF (Hedged)	CHF 25,000,000	CHF 100,000						CHF 100

## 7. CONVERSION

7.1 Shares in the Sub-Fund may be converted on each Valuation Day.

7.2 Conversion requests must be received by the Administrative Agent no later than 5:00pm CET one (1) Business Day before the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

7.3 A Conversion Fee as set out under Section 6 of this Special Section may be levied to cover conversion costs.

## 8. INVESTMENT MANAGER

8.1 The Management Company has appointed Hotchkis & Wiley Capital Management, LLC as the investment manager of the Sub-Fund (the **Investment Manager**) to carry out investment management services and be responsible for the investment activities of the Sub-Fund.

8.2 The Investment Manager was founded in 1980 and is registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC). The Investment Manager is majority-owned by its employees. Since its inception, the Investment Manager has been dedicated to providing investment management services to institutional and individual investors with an investment focus on specializing in value investing. The Investment Manager offers value equity strategies across the market capitalisation spectrum as well as strategies that emphasize income generation. The Investment Manager believes that discipline and independent analysis are the keys to finding undervalued securities that have the potential for appreciation.

8.3 The Investment Manager will be entitled to receive a portion of the Management Fee as agreed from time to time in writing between the Management Company and the Investment Manager.

## 9. PROFILE OF THE TYPICAL INVESTOR

- 9.1 This Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are looking for long-term capital appreciation of their investment and who are willing to accept fluctuations (sometimes significant) in the Net Asset Value per Share of the Sub-Fund during the short term.
- 9.2 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## 10. SPECIFIC RISK FACTORS

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the following specific risk factors:

**Cash position risk:** to the extent that the Sub-Fund holds assets in cash, cash equivalents, and other short-term investments, the ability of the Sub-Fund to meet its objective may be limited.

**Currency risk:** if the Sub-Fund invests directly in currencies other than the Reference Currency or in securities that trade in, and receive revenues in, currencies other than the Reference Currency, or in derivatives that provide exposure to currencies other than the Reference Currency, it will be subject to the risk that those currencies will decline in value relative to the Reference Currency, or, in the case of hedging positions, that the Reference Currency will decline in value relative to the currency being hedged. As a result, the Sub-Fund's investments in securities denominated in currencies other than the Reference Currency may reduce the Sub-Fund's returns.

**Depository receipts risk:** depository receipts in which the Sub-Fund may invest are receipts listed on U.S. exchanges that are issued by banks or trust companies that entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares. Investments in depository receipts may be less liquid than the underlying shares in their primary trading market.

**Derivatives risk:** the risk that an investment in derivatives will not perform as anticipated by the Investment Manager, cannot be closed out at a favourable time or price, or will increase the Sub-Fund's volatility; that derivatives may create investment leverage; that, when a derivative is used as a substitute for or alternative to a direct cash investment, the transaction may not provide a return that corresponds precisely with that of the cash investment; or that, when used for hedging purposes, derivatives will not provide the anticipated protection, causing the Sub-Fund to lose money on both the derivatives transaction and the exposure the Sub-Fund sought to hedge.

**Equity issuer risk:** the risk that the value of a company's stock will decline in value in response to factors affecting that company, that company's industry, or the market generally.

**Investment company and exchange traded fund risk:** the risk that an investment company, including any exchange-traded fund ("ETF"), in which the Sub-Fund invests will not achieve its investment objective or execute its investment strategies effectively or that large purchase or redemption activity by shareholders of such an investment company might negatively affect the value of the investment company's shares. The Sub-Fund must pay its pro rata portion of an investment company's fees and expenses.

**Limited operating history risk:** the risk that a newly formed fund has no or a limited operating history to evaluate and may not attract sufficient assets to achieve or maximise investment and operational efficiencies.

**Liquidity risk:** the risk that low trading volume, lack of a market maker, or contractual or legal restrictions may limit or prevent the Sub-Fund from selling securities or closing derivative positions at desirable times or prices.

**Capitalisation risk:** large cap companies as a group could fall out of favor with the market, causing the Sub-Fund to underperform investments that focus on small or mid-cap companies. Investments in small and mid-cap companies may involve more risk than investing in larger more established companies. Small and mid-cap companies may have limited product lines or markets. They may be less financially secure than larger, more established companies. They may depend on a small number of key personnel. Should a product fail, or if management changes, or if there are other adverse developments, the Sub-Fund's investment in a small or mid-cap company may lose substantial value. In addition, small and mid-cap companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

**Style risk:** The Investment Manager follows an investing style that favors value investments. Historically, value investments have performed best during periods of economic recovery. Therefore, the value investing style may over time go in and out of favor. At times when the value investing style is out of favor, the Sub-Fund may underperform other funds that use different investing styles. Investors should be prepared to tolerate volatility in Sub-Fund returns.

**Market risk:** the risk that the overall market will perform poorly or that the returns from the securities in which the Sub-Fund invests will underperform returns from the general securities markets or other types of investments.

**Portfolio turnover risk:** the risk that frequent purchases and sales of portfolio securities may result in higher expenses and may result in larger distributions of taxable capital gains to investors as compared to a fund that trades less frequently.

**Price volatility risk:** the risk that the value of the Sub-Fund's investment portfolio will change, potentially frequently and in large amounts, as the prices of its investments go up or down.

**Selection risk:** the risk that the securities held by the Sub-Fund will underperform other funds investing in similar asset classes or comparable benchmarks because of the Investment Managers' choice of securities or sectors for investment.

**Manager risk:** The performance of the Sub-Fund is dependent upon the Investment Manager's skill in making appropriate investments. As a result, the Sub-Fund may underperform comparable benchmarks or its peers.

**Sustainability risks:** Sustainability risk is managed as part of the overall risk management process adopted by the Investment Manager as opposed to applying absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category. This includes managing risk through appropriate diversification of investments held by the Fund and ensuring that the risk of any one sector or industry group is not significant.

The Management Company, in conjunction with the Investment Manager, does not consider the principal adverse impacts of its investment decisions on sustainability factors in respect of the subfund on the basis that, in the context of the investment strategy of the sub-fund, it is not possible to conduct detailed diligence on the principal adverse impacts of the investment decisions on sustainability factors. Risk management.



The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The articles 5 and 6 of the “Taxonomy Regulation” (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020) require that financial products which comply with article 8 of SFDR and that promote environmental characteristics disclose information on the environmental objective or environmental objectives set out in Article 9 of the Taxonomy Regulation to which the investment underlying the financial product contributes and a description of how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation.

Although this sub-fund qualifies as an article 8 fund with regards to SFDR, it does not explicitly promote environmental characteristics. As a consequence, the requirement for disclosure for the Taxonomy Regulation as listed in the above paragraph does not apply.

## **11. RISK MANAGEMENT**

In accordance with the 2010 Law and applicable regulations, the Management Company uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

The Management Company uses the commitment approach to monitor and measure the Sub-Fund's global exposure. This approach measures the global exposure related to positions on financial derivative instruments (**FDIs**) which may not exceed the total Net Asset Value of the Sub-Fund.

Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI, following the ESMA's guidelines on risk measurement of global exposure and counterparty risk for UCITS published on 20 July 2010 as updated further to the ESMA Guidelines 2014/937.