



# Candriam World Alternative

**Société d'Investissement à Capital Variable  
(Luxembourg)**

## PROSPECTUS

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Subscriptions may only be accepted if made on the basis of this Prospectus, which is only valid if accompanied by the latest available annual report and the latest semi-annual report if published after the latest annual report. These documents form an integral part of this Prospectus.

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## 2 December 2024

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Candriam World Alternative is a Luxembourg Undertaking for Collective Investment in the form of an umbrella fund. Its alternative management sub-funds present particular risks because they invest in alternative management funds. For these sub-funds, the nature and degree of the risks inherent in this type of investment are not comparable with those typically linked to a traditional securities investment fund. No guarantee can be given that the investment objectives of these sub-funds will be achieved. The investment return in these sub-funds can vary substantially over time. Investors may lose all or part of their investment in these sub-funds. Investment in these sub-funds is not intended to be a complete investment programme for all investor categories. Potential investors are invited to carefully study whether investment in these sub-funds is appropriate to their personal situation. The Asset Manager will endeavour to select UCIs guaranteeing the right to redeem shares or units within a reasonable period of time, but cannot guarantee that the liquidity of the investments of such UCIs will at all times be sufficient to meet redemption requests on the exact date on which they are made. Insufficient liquidity may have consequences on the liquidity of the shares of the SICAV and the value of its investments. The SICAV's Asset Manager will, however, endeavour to monitor the risks and select the fund investments on the basis of a due diligence procedure (see "Due Diligence Procedure"). Investors' attention is drawn particularly to the special provisions and the Fact Sheets of these "particular risk" sub-funds.

Share subscriptions are only valid if made on the basis of the current Prospectus accompanied by the latest semi-annual report, if this has been published since the latest annual report. No person is authorised to give any information other than that contained in this Prospectus or in the documents referred to herein that may be consulted by the general public.

*This Prospectus may be translated into other languages. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the French text shall prevail.*



## INTRODUCTION

### IMPORTANT:

For further details concerning the content of this document, consult your broker, banker, lawyer, accountant or other financial adviser.

**Candriam World Alternative** (hereinafter the "SICAV") is registered on the official list of undertakings for collective investment (hereinafter "UCIs") pursuant to the part II of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended, and its implementing provisions (hereinafter the "Law of 2010"). The SICAV qualifies as an alternative investment fund within the meaning of the Law of 12 July 2013 relating to alternative fund managers and its implementing provisions (hereinafter the "AIFM Law").

This registration may not be interpreted as a positive appraisal of the regulating authority as to the content of this Prospectus or the quality of the securities offered or held by the SICAV. Any affirmation to the contrary is unauthorised and illegal.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

In particular, shares in this SICAV are not and will not be registered in the United States in accordance with the 1933 U.S. Securities Act, as amended ("1933 Securities Act") and are not and will not be eligible under any law of the United States. These shares may not be offered, sold or transferred to the United States (including its territories and possessions) or directly or indirectly benefit any U.S. Person (as defined in Regulation S of the 1933 Securities Act and Rule 4.7. of the Commodity Exchange Act). Subscribers to shares in this SICAV may be required to certify in writing that they are not U.S. Persons. Shareholders are required to notify the SICAV immediately in the event that they become U.S. Persons and will be required to dispose of their shares to non-U.S. Persons. The SICAV reserves the right to redeem all shares that are or become the direct or indirect property of a U.S. Person or if the holding of shares by any person is illegal or detrimental to the interests of the fund. However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of *U.S. Persons* to the extent permitted under applicable U.S. law.

In addition, financial institutions which do not comply with the FATCA programme (FATCA stands for the U.S. Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (hereinafter the "HIRE Act"), and its application measures, including the identical provisions adopted by partner countries which have signed an "Intergovernmental Agreement" with the United States, must expect to be forced to have their shares redeemed when the programme is put in place.

Under an exemption granted by the Commodity Futures Trading Commission ("CFTC") concerning funds whose investors may only be qualified and eligible persons in accordance with the applicable U.S. rules, a prospectus of this SICAV is not required to be submitted to the CFTC and none has ever been submitted. The CFTC does not have a view on the merits of the holdings in a fund nor on the adequacy or accuracy of a prospectus. Consequently, the CFTC has not reviewed nor approved this Prospectus or any prospectus related to this SICAV.

The shares in the SICAV may not be offered, sold or transferred to a U.S. employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or any other U.S. employee benefit plan or U.S. individual retirement account or arrangement ("IRA") and may not be offered, sold or transferred to a fiduciary or any other person or entity acting on behalf of the assets of a U.S. employee benefit plan or IRA (collectively, a "U.S. benefit plan investor"). Subscribers to shares in the SICAV may be required to certify in writing that they are not U.S. benefit plan investors. Shareholders are required to notify the SICAV immediately in the event that they are or become U.S.



benefit plan investors and will be required to dispose of their shares to non-U.S. benefit plan investors. The SICAV reserves the right to redeem any shares which are or become owned, directly or indirectly, by a U.S. benefit plan investor. However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares with a limited number of U.S. benefit plan investors, to the extent permitted under applicable U.S. law.

The specific nature of the SICAV is that of a fund of funds. This means that each of the SICAV's sub-funds will, at any time, invest at least 20% of its net assets in other open-ended type UCIs (société d'investissement à capitale variable, fonds commun de placement, limited partnership, limited liability companies or any other collective investment vehicle).

No person has been authorised to give any information other than that contained in this Prospectus or in the documents referred to herein that may be consulted by the general public.

The Board of Directors of the SICAV is liable for the accuracy of the information contained in this Prospectus on the date of publication.

This Prospectus may be updated if significant changes are made to this document. Accordingly, it is recommended that subscribers contact the SICAV to enquire whether there is a more recent prospectus.

It is recommended that subscribers seek advice on the laws and regulations such as those on taxation and foreign exchange control applicable to the subscription, purchase, ownership and sale of shares in their place of origin, residence and domicile.

**Investors' attention is drawn to the higher level of risk associated with alternative investments as stated in the section entitled "Risk factors". Potential investors should therefore check that investing in the SICAV is compatible with their personal investment objectives. An alternative fund of funds may give rise to risks that, due to their nature and characteristics, are not the same as the risks to which traditional investments are generally subject. All investors should seek the advice of a specialist in this type of investment before subscribing. The SICAV therefore presents an above-average level of risk and is only suitable for those who can run the risk of losing their full investment.**

The SICAV reminds investors that any investors may only fully exercise their investor rights directly in relation to the SICAV (in particular the right to attend general meetings of shareholders) if the investors are registered in their own name in the register of shareholders of the SICAV. In the event that an investor invests in the SICAV through an intermediary investing in the SICAV in its name but on behalf of the investor, some shareholder rights may not necessarily be exercisable by the investor directly vis-à-vis the SICAV. Investors are advised to seek information regarding their rights.

This Prospectus is only valid if accompanied by the latest available annual report, together with the latest semi-annual report where the latter was published after the latest annual report. These documents form an integral part of this Prospectus.

Any reference made in this Prospectus to the terms:

- EUR refers to the currency of the countries that are members of the Economic and Monetary Union,
- USD refers to the currency of the United States of America,
- AUD refers to the currency of Australia,
- SEK refers to the currency of Sweden,
- CHF refers to the currency of the Swiss Confederation,
- JPY refers to the currency of Japan,
- Bank Business Day refers to any full bank business day in Luxembourg. To avoid any confusion, 24 December is not considered to be a Bank Business Day,



## CONTENTS

1	ADMINISTRATION OF THE SICAV .....	5
2	GENERAL CHARACTERISTICS OF THE SICAV.....	7
3	MANAGEMENT AND ADMINISTRATION .....	9
4	DEPOSITARY .....	14
5	INVESTMENT POLICY AND OBJECTIVES.....	15
6	INVESTMENT RESTRICTIONS .....	22
7	RISK FACTORS .....	26
8	RISK MANAGEMENT .....	32
9	THE SHARES .....	34
10	LISTING OF SHARES .....	35
11	ISSUING OF SHARES AND SUBSCRIPTION AND PAYMENT PROCEDURES .....	35
12	REDEMPTION OF SHARES .....	36
13	CONVERSION OF SHARES .....	37
14	MARKET TIMING AND LATE TRADING .....	38
15	THE FIGHT AGAINST MONEY LAUNDERING AND THE FINANCING OF TERRORISM .....	39
16	NET ASSET VALUE .....	39
17	SUSPENSION OF NET ASSET VALUE CALCULATION AND ISSUE, REDEMPTION AND CONVERSION OF SHARES .....	42
18	APPROPRIATION OF INCOME.....	43
19	SEPARATION OF SUB-FUNDS' LIABILITIES .....	44
20	CHARGES AND FEES .....	44
21	TAXATION .....	45
22	LIQUIDATION .....	46
23	SHAREHOLDERS' GENERAL MEETINGS .....	47
24	SHAREHOLDER INFORMATION.....	47
25	PROCESSING OF PERSONAL DATA .....	49
	ALPHAMAX FACT SHEET.....	52



## 1 ADMINISTRATION OF THE SICAV

**Name, registered office:**

**Candriam World Alternative**  
5, Allée Scheffer, L-2520 Luxembourg

**Board of Directors**

**Chairman**

**Mr Tanguy de Villenfagne**  
Advisor to the Group Strategic Committee  
Candriam

**Directors**

**Mr Fabrice Cuchet**  
Chief Operating Officer  
Candriam

**Mr Damien Rol**  
Global Head of Legal  
Candriam

**Mr Koen Van de Maele**  
Chief Investment Solutions Officer  
Candriam

**Mr Bertrand Gibeau**  
Independent Director

**Mrs Aurore PELLE**  
Senior Internal Auditor  
Candriam

**Depositary and Paying Agent:**

**CACEIS Bank, Luxembourg Branch**  
5, Allée Scheffer  
L- 2520 Luxembourg

**Auditors:**

**PricewaterhouseCoopers**  
2, rue Gerhard Mercator  
BP 1443  
L-1014 Luxembourg

**Asset Manager:**

**Candriam**  
Serenity Bloc B  
19-21, route d'Arlon,  
L-8009 Strassen

**Board of Directors:**

**Chairman:**

**Mr Naïm ABOU-JAOUDE**  
Chairman and Chief Executive Officer  
New York Life Investment Management LLC, New York Life  
Investment Management Holdings LLC



**Directors:**

**Mr Vincent Hamelink**

Chief Executive Officer  
Candriam

**Mr Frank Harte**

Senior Managing Director, Chief Financial Officer & Treasurer  
New York Life Investment Management Holdings LLC  
Senior Vice President  
New York Life Insurance Company

**Mr Alain Karaoglan**

Executive Vice President and Head of the Strategic  
Businesses of  
New York Life Insurance Company

**Mrs Melissa Kuan**

Managing Director and Head of Strategy & Business  
Development of  
New York Life Investment Management

**Mr Jean-Yves Maldague**

Managing Director  
Candriam

**Mr Anthony Malloy**

Executive Vice President & Chief Investment Officer  
New York Life Insurance Company and  
Chief Executive Officer

Management Committee

Chairman:

**Mr Jean-Yves Maldague**

Managing Director  
Candriam

Members:

**Mrs Justine BARRIELLE**, Manager

**Mr Fabrice CUCHET**, Manager

**Mr Tanguy DE VILLENFAGNE**, Manager

**Mrs Nadège DUFOSSE**, Manager

**Mr Nicolas FORREST**, Manager

**Mr Renato GUERRIERO**, Manager

**Mr Vincent HAMELINK**, Manager

Central administration functions are delegated to:

**CACEIS Bank, Luxembourg Branch**

5, Allée Scheffer  
L-2520 Luxembourg



## 2 GENERAL CHARACTERISTICS OF THE SICAV

**Candriam World Alternative** is a Luxembourg société d'investissement à capital variable established for an unlimited term on 6 July 2001 in accordance with the provisions of the Law of 2010 and the Law of 10 August 1915 on commercial companies, as amended.

The SICAV's articles of incorporation were published in the Mémorial C, Recueil Spécial des Sociétés et Associations (hereinafter "the Mémorial") on 13 August 2001. They were last amended on 1 July 2022 and the corresponding amendments were published in the Recueil Electronique des Sociétés et des Associations. The articles of incorporation have been filed with the Luxembourg Trade and Companies Registry. These documents can be examined there and copies may be obtained on request on payment of the required administrative fees.

The SICAV is registered with the Companies' Register of and in Luxembourg under number B 82-737.

The SICAV's registered office is in Luxembourg.

The specific nature of the SICAV is that of a fund of funds formed under Luxembourg law. The investments held will principally comprise alternative investments, also known as hedge funds (hereinafter the "target funds"). The principal characteristic of alternative funds is the ability to use investment techniques not accessible to traditional managers, such as short selling, the use of derivative products for speculative purposes and financial leverage.

The SICAV is an umbrella UCI, which means that it is as made up of several sub-funds, each representing a pool of specific assets and liabilities and each adhering to a specific investment policy. Each sub-fund will invest 20% or more of its net assets in UCIs of the open-ended type (société d'investissement à capitale variable, fonds communs de placement, limited partnerships, limited liability companies and any other collective investment vehicle).

Each sub-fund may offer several share classes, as defined in the fact sheets accompanying this Prospectus (the "Fact Sheets"). These classes differ on the basis of their distribution policy (some capitalise their income, others distribute their income in the form of dividends), their target investors and/or their entry or management fees, their currencies and/or other specific features.

In addition, each share class may apply a specific hedging policy as found in the sub-fund fact sheets, that is:

- **Hedging against fluctuations in the reference currency:** such hedging aims to reduce the effect of fluctuations in exchange rates between the reference currency of the sub-fund and the currency in which the share class is denominated. This type of hedging aims to achieve a reasonably comparable performance (adjusted in particular for the difference in interest rate between the two currencies) between the hedged class and the equivalent denominated in the reference currency of the sub-fund. This type of hedging is identified by the suffix **H** in the name of the class.
- **Hedging against the foreign exchange exposure of the assets forming the portfolio:** such hedging aims to reduce the effect of fluctuations in exchange rates between the currencies in which the sub-fund's assets are held and the currency in which the share class is denominated. This type of hedging is identified by the suffix **AH** in the name of the class.

The purpose of these two types of hedging is to reduce foreign exchange risk.

Investors must be aware that the hedging of foreign exchange cannot be a total and permanent process and may not therefore fully neutralise the foreign exchange risk and so there may be differences in performance.

Any gains or losses that may arise from the hedging process are borne separately by the holders of



these classes.

The umbrella structure offers investors the benefit of being able to choose between different sub-funds/classes and being able to move subsequently from one sub-fund/class to another provided the conditions for holding the shares in the new sub-fund/class are met.

The following sub-fund is currently available to investors:

- **Candriam World Alternative – Alphamax**, denominated in EUR (hereinafter referred to as "Alphamax").

The following share classes are offered on the date of this Prospectus:

- The **B** class which is reserved for individuals and legal entities whose minimum initial subscription is EUR 250,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same valuation date.
- The **C** class which is reserved for individuals and legal entities whose minimum initial subscription is one share or EUR 1,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same valuation date.
- The **C2** class is a class without outperformance fees which is reserved for individuals and legal entities whose minimum initial subscription is one share or EUR 1,500 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same valuation date.
- The **I** class reserved exclusively for institutional investors.
- The **I2** Class is not subject to an outperformance fee and is reserved exclusively for institutional investors;
- The **R2** class reserved for distributors and/or intermediaries approved by the Asset Manager who will not receive any form of remuneration for investments in this class from an entity of the Candriam group, if the final investments in the shares are made in the context of a mandate.
- The **T** Class reserved exclusively for institutional investors whose minimum initial subscription is EUR 5,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies (this minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same valuation date);
- The **T2** Class is a class without outperformance fees and is reserved exclusively for institutional investors whose minimum initial subscription is EUR 5,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies (this minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same valuation date);





- The **V** class reserved exclusively for institutional investors whose minimum initial subscription is EUR 10,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies (this minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same valuation date);
- The **V2** Class is a class without outperformance fees reserved exclusively for institutional investors whose minimum initial subscription is EUR 10,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies (this minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same valuation date);
- The **VB** class reserved for Belgian-law UCIs approved by the Management Company.
- The **Z** class reserved for:
  - Institutional/professional investors approved by the Asset Manager. The portfolio management activity for this class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this class.
  - UCIs approved by the Asset Manager and managed by an entity of the Candriam group.
- The **Z2** Class is not subject to an outperformance fee and is reserved for:
  - Institutional/professional investors approved by the Asset Manager. The portfolio management activity for this class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this class.
  - UCIs approved by the Asset Manager and managed by an entity of the Candriam group.

If it appears that an investor no longer meets the conditions for accessing the class in question, the Board of Directors may take all the necessary measures and, if necessary, convert the shares into another appropriate class.

The Board of Directors may launch other sub-funds and share classes, in respect of which the investment policy and offer terms will be notified at the appropriate time by updating this Prospectus and informing investors in the press as deemed appropriate by the Board of Directors.

The Board of Directors of the SICAV defines the investment policy of each of the sub-funds. The capital of the SICAV is, at all times, equal to the net asset value and is represented by fully paid-up shares of no par value. Changes in capital occur automatically and do not need to be announced or recorded in the Luxembourg Trade and Companies Registry in the same way as required for a capital increase or decrease of a société anonyme. The minimum capital is EUR 1,250,000.

## 3 MANAGEMENT AND ADMINISTRATION

### 3.1 Board of Directors

The Board of Directors of the SICAV is responsible for managing the assets of each of the sub-funds of the SICAV.



The Board of Directors of the SICAV may perform any management or administration duties on behalf of the SICAV, notably the purchase, sale, subscription or exchange of any transferable securities, and exercise any rights directly or indirectly attached to the assets of the SICAV.

The list of members of the Board of Directors can be found in the Prospectus and in the interim reports.

### **3.2 Domiciliation**

The SICAV and CACEIS Bank, Luxembourg Branch have concluded a domiciliation agreement for an unlimited term.

Under this agreement, CACEIS Bank, Luxembourg Branch provides the registered office and address to the SICAV in addition to other services relating to domiciliation.

The SICAV may terminate the domiciliary agent functions of CACEIS Bank, Luxembourg Branch with three months' written notice, and the latter may terminate its own functions with the same notice.

### **3.3 The Asset Manager**

The Asset Manager of the SICAV is Candriam (formerly Candriam Luxembourg), whose registered office is located at L-8009 Strassen, 19- 21 route d'Arlon, Serenity Bloc B, a partnership limited by shares, incorporated in Luxembourg on 10 July 1991 (hereinafter the "Asset Manager"). It commenced its management activities on 1 February 1999 and is a subsidiary of Candriam Group, a New York Life Insurance Company Group entity.

Candriam received approval as a Management Company within the meaning of chapter 15 of the Law of 2010, and is authorised to provide collective portfolio management, investment portfolio management and investment advisory services.

It has also received approval to manage alternative investment funds within the meaning of chapter 2 of the Luxembourg AIFM Law, and is authorised to carry out collective management of alternative investment funds.

The list of entities managed by the Asset Manager is available upon request from the same.

Its articles of incorporation were amended for the last time on 17 June 2022 and the corresponding amendments were published in the Mémorial C (Recueil des Sociétés et Associations). A version of the coordinated articles of incorporation has been filed with the Luxembourg Trade and Companies Registry.

Candriam is entered in the Luxembourg Trade and Companies Registry under number B 37.647. It is established for an unlimited period. Its financial year ends on 31 December each year.

For the purpose of the activities which it exercises by virtue of the Luxembourg AIFM Law, the Asset Manager has sufficient equity capital to cover any possible risks in terms of the liability for professional negligence to which it may be exposed.

#### **3.3.1. Functions and responsibilities**

The Asset Manager is invested with the broadest possible powers to carry out UCI management and administration activities in pursuance of its objects.

It is responsible for portfolio management, risk management, administration and marketing (distribution).



In accordance with the AIFM Law and the agreement appointing the asset manager, the Asset Manager is authorised to delegate its duties, powers and obligations in whole or in part to any person or company it deems fit, subject to the proviso that the Prospectus is updated beforehand. The Asset Manager, however, retains full responsibility for the actions of the one or more delegates.

The various duties carried out by the Asset Manager or any of its delegates give it the right to collect fees, which are payable by the AIF to the Asset Manager and are detailed below.

These fees cover portfolio management, risk management, administration and marketing activities.

Investors are invited to read the SICAV's annual reports to obtain detailed information on the fees paid to the Asset Manager or its delegates as remuneration for their services. These annual reports are available at the SICAV's registered office.

The Asset Manager has established an internal organisational structure that guarantees fair treatment of investors by way of, among other things, structural measures (code of professional ethics and a policy to identify, prevent and manage conflicts of interest) and operational procedures.

### **3.3.1.1 Investment management**

#### **a) Portfolio management and risk management**

The Board of Directors of the SICAV is responsible for the investment policy of the various sub-funds. The SICAV has appointed the Asset Manager to implement the investment policy and to manage the risks of the various sub-funds.

The Asset Manager performs portfolio management directly and/or through one or more of its branches.

In payment of its services, the Asset Manager will receive management fees, expressed as an annual percentage of the average net asset value, the rates of which are specified in the Fact Sheets for the various sub-funds. These fees will be payable by the SICAV at the end of each month and they cover portfolio management, risk management and marketing activities.

The Asset Manager may also receive performance fees, the details of which (rate, benchmark) and payment frequencies are detailed in the Fact Sheets for the various sub-funds.

#### **b) Procedure for selecting intermediaries**

Pursuant to its "Selection policy for intermediaries to which the Asset Manager sends orders for execution", the Asset Manager selects intermediaries to which it sends orders for execution for the major classes of financial instruments (bonds, shares, derivative products). Specifically, the selection is based on the intermediary's execution policy and subject to the "Selection policy for financial intermediaries to which the Asset Manager sends orders for execution on behalf of the UCIs it manages".

The main execution factors considered are: price, cost, speed, probability of execution and settlement, size and type of order. In application of the broker and counterparty selection and evaluation procedure and further to the request of the Asset Manager, the Asset Manager's Broker Review approves or refuses any new broker application.

Therefore pursuant to this policy, a list by type of instruments (shares, interest rates, money market, derivatives) of the authorised brokers and a list of the authorised counterparties are kept.

Furthermore, the list of approved brokers is reviewed on a regular basis so as to evaluate them on the basis of various filters and make any appropriate and necessary changes.



c) Voting rights policy

The Asset Manager may, inter alia, exercise on behalf of the SICAV, all the voting rights attached to the transferable securities in the SICAV's portfolios. It will ensure that these voting rights are exercised to the sole benefit of the SICAV and its investors. The Asset Manager will provide investors with the corresponding information for any voting rights on its website [www.candriam.com](http://www.candriam.com).

**3.3.1.2. Central administration functions**

The Asset Manager has delegated the administrative agent ("Administrative Agent") and registrar and transfer agent ("Transfer Agent") functions of the SICAV to CACEIS Bank, Luxembourg Branch, under the terms of a central administration agreement entered into by the Asset Manager and CACEIS Bank, Luxembourg Branch for an unlimited term ("Central Administration Agreement").

The Central Administration Agreement is concluded for an unlimited term and may be terminated by either party with three months' notice.

CACEIS Bank, Luxembourg Branch operates as the Luxembourg branch of CACEIS Bank, a société anonyme under French law whose registered office is at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the Trade and Companies Register of Nanterre under the number RCS Nanterre 692 024 722. It is a credit institution approved and supervised by the European Central Bank (ECB) and the French Prudential Supervision and Resolution Authority (ACPR). The institution is also authorised to perform banking activities and central administration activities in Luxembourg through its Luxembourg branch.

In particular, the Administrative Agent functions comprise the calculation of the NAV per share of each sub-fund and/or each share class as applicable, the management of accounts, the preparation of annual and semi-annual reports, and the performance of tasks in its capacity as the Administrative Agent.

In particular, the Transfer Agent functions comprise the processing of subscription, redemption and conversion orders and the keeping of the register of shareholders.

In this capacity, the Transfer Agent is also responsible for supervising measures to combat money laundering in accordance with the applicable regulations in Luxembourg on money laundering and financing of terrorism and preventing the financial sector from being used for the purposes of money laundering and financing of terrorism. CACEIS Bank, Luxembourg Branch is authorised to request the documents necessary in order to identify the investors.

In order to perform its activities, CACEIS Bank, Luxembourg Branch may outsource IT and operational functions linked to its UCI management activities (for example concerning its role as registrar and transfer agent, shareholder activities and investor services) to other entities of the CACEIS Group located in Europe or in third countries, specifically the United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the external service provider data concerning the investor, such as name, address, date and place of birth, nationality, country of residence, tax number, ID card number (for legal entities: company name, creation date, registered office, legal form, trade register entry number and/or tax registration number, and the persons linked to the legal entity such as investors, economic beneficiaries and representatives), etc. Luxembourg law requires CACEIS Bank, Luxembourg Branch to disclose to the SICAV certain information concerning the outsourced activities, which the SICAV will in turn communicate to the investors. The SICAV will communicate to the investors any important change to the information disclosed according to this paragraph before the change takes effect.

The list of countries in which the CACEIS Group performs its activities is available at the following website: [www.caceis.com](http://www.caceis.com). Please note that this list may change over time.



### **3.3.1.3. Marketing**

The marketing function consists in coordinating the marketing of the SICAV's shares through distributors and/or intermediaries designated by the Asset Manager (hereinafter "Distributors"). A list of Distributors can be obtained by investors free of charge from the Asset Manager's registered office.

Distributor or investment agreements may be entered into by the Asset Manager and the various Distributors.

Under these agreements, the Distributor, in its capacity as nominee, will be entered in the register of shareholders instead of the customers who have invested in the SICAV.

These agreements stipulate, among other things, that a customer who has invested in the SICAV through the Distributor may at any time request the transfer of the shares purchased via the Distributor into his or her own name in the register upon receipt of the transfer instructions from the Distributor.

Shareholders may subscribe to the SICAV directly without needing to subscribe through a Distributor.

There may be agreements between the Asset Manager and the Distributors by virtue of which the Distributors may receive a securities placement fee which may not exceed a maximum rate of 75% of the management fees which the Asset Manager receives from the SICAV.

When these agreements are made, the Asset Manager will do everything possible to avoid any possible conflicts of interest. However, if conflicts of interest were to emerge, the Asset Manager would act in the sole interest of the shareholders of the SICAV.

The shareholders of the SICAV can obtain further details on the payments stated above by sending a written request to the Asset Manager.

Any Distributor appointed must apply the procedures to combat money laundering as defined in this Prospectus.

The appointed Distributor must have the legal and regulatory status required to market the SICAV and must be situated in a country subject to obligations to combat money laundering and the financing of terrorism equivalent to those of Luxembourg law or the European Directive 2005/60/EC.

### **3.3.2. Remuneration policy**

The Asset Manager has established a general framework concerning remuneration of its staff, in particular a remuneration policy (the "Remuneration Policy") in compliance with the applicable regulations and the following principles in particular:

The Remuneration Policy is compatible with sound and effective risk management including sustainability risks. It discourages any risk-taking that is inconsistent with the risk profile and the articles of incorporation of the SICAV. Candriam has designed policies aiming to promote responsible behaviour among personnel, taking account of sustainability-related impacts.

The Remuneration Policy is compatible with the financial strategy, objectives, values and interests of the Asset Manager, the SICAV and the investors, and includes measures to improve the way conflicts of interest are handled.

Candriam's remuneration structure is linked to a risk-adjusted performance. The evaluation of performance is set in a multi-year framework appropriate to the minimum holding period recommended to shareholders of the SICAV, in order to ensure that the performance evaluation process is based on the long term performance of the SICAV and that the effective payment of the performance-based remuneration elements is spread over the same period.

Candriam aims to ensure that the employees are not encouraged to take inappropriate and/or excessive risks (also concerning sustainability risks) which are incompatible with the risk profile of Candriam and, as applicable, of the funds managed. In addition, when sustainability-related impacts are considered by the fund, Candriam sees to it that the personnel take them fully into account.



In this way, the Remuneration Policy ensures that the fixed and variable components of total remuneration are appropriately balanced; that the fixed component of total remuneration is high enough; that the policy concerning variable remuneration elements is sufficiently flexible including the possibility to pay no variable remuneration component.

The details of the updated Remuneration Policy, including the composition of the remuneration committee, a description of how remuneration and benefits are calculated, and how this policy is consistent with the consideration of sustainability risks and impacts, are available from the Asset Manager's website via this link (document entitled **Candriam Remuneration Policy**):

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

A printed copy is available free of charge on request.

### 3.3.3. Conflicts of interest

The Asset Manager has implemented a written procedure with which to identify, prevent, manage and monitor conflicts of interest that include conflicts that could arise out of these delegations. As a result, the Asset Manager will ensure it does not delegate these activities to entities whose interests could come into conflict with its own or those of investors in the SICAV, except if this entity has separated, at the functional and hierarchical levels, the performance of delegated tasks from its other possibly conflicting activities and that potential conflicts of interest are appropriately identified, managed, monitored and disclosed to investors in the SICAV. The Asset Manager's conflict of interest prevention policy may be consulted on its website <http://www.candriam.com>.

## 4. DEPOSITARY

CACEIS Bank, Luxembourg Branch acts as the depositary of the SICAV ("**Depositary**") in accordance with a depositary bank agreement for an unlimited term as amended from time to time ("**Depositary Bank Agreement**") and with the relevant provisions of the Law of 2010 and applicable regulations.

The Depositary is responsible for the safekeeping and/or, as applicable, the registration and verification of ownership of the assets of the sub-fund, and it discharges the obligations and responsibilities set out in Part I of the Law of 2010 and the applicable regulations. In particular, the Depositary performs appropriate and effective monitoring of the cash flows of the SICAV.

In accordance with the applicable regulations, the Depositary:

- (i) Ensures that any sale, issue, redemption, repayment and cancellation of the shares of the SICAV take place in accordance with the Law of 2010 and applicable regulations and the articles of incorporation of the SICAV;
- (ii) Ensures that the net asset value of the shares is calculated in accordance with the applicable regulations, the articles of incorporation of the SICAV, and the procedures set out in Directive 2009/65/EC;
- (iii) Carries out the instructions of the SICAV unless they conflict with the applicable regulations or the articles of incorporation of the SICAV;
- (iv) Ensures that for transactions involving the SICAV's assets, the consideration is paid to the SICAV within the usual time limits;
- (v) Ensures that the SICAV's income is allocated in accordance with the applicable regulations and the articles of incorporation of the SICAV.

The Depositary may not delegate any of the obligations and responsibilities in parts (i) to (v) above.

In accordance with Directive 2009/65/EC, the Depositary may, under certain conditions, entrust all or some of the assets for which it performs safekeeping or registration functions to correspondents or to





third-party depositaries appointed from time to time ("Delegation"). The Depositary's responsibilities will not be affected by such Delegation, unless otherwise provided but solely within the limits allowed by the Law of 2010.

A list of these correspondents/third-party depositaries is available on the Depositary's website ([www.caceis.com](http://www.caceis.com), in the "regulatory watch" section). This list may be updated from time to time. The complete list of correspondents/third-party depositaries may be obtained free of charge from the Depositary.

Up-to-date information about the identity of the Depositary, a description of its responsibilities and potential conflicts of interest, the safekeeping functions delegated by the Depositary and the potential conflicts of interest that may arise from such Delegation are also available on request free of charge on the Depositary's website (above).

There are many situations in which a conflict of interest may arise, in particular when the Depositary delegates its safekeeping functions, or when the Depositary provides other services on behalf of the SICAV such as the central administration function or the registrar function. These situations and the potential conflicts of interest arising from them have been identified by the Depositary. In order to protect the interests of the SICAV and its investors, and to comply with the applicable regulations, the Depositary has put in place and guarantees application of a conflicts of interest policy, as well as procedures intended to prevent and to manage any potential or actual conflict of interest, principally aiming to do the following:

- (a) Identify and analyse potential conflicts of interest;
- (b) Record, manage and monitor conflicts of interest, either:
  - By relying on permanent measures established to manage conflicts of interest such as keeping separate legal entities, segregating functions, separating hierarchical structures, insider lists of staff members; or
  - By setting up case-by-case management with a view to (i) taking appropriate preventive measures such as preparing a new watch list, establishing new "Walls of China", ensuring that transactions take place under market conditions and/or informing the SICAV's relevant investors, or (ii) refusing to carry out the activity creating the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its depositary bank functions and the performance of other tasks on behalf of the SICAV, in particular its administrative agent and registrar services.

The SICAV and the Depositary may terminate the Depositary Bank Agreement at any time with written notice of ninety (90) days. The SICAV may only dismiss the Depositary, however, if a new depositary bank is appointed within two months to perform the functions and responsibilities of the depositary bank. Once dismissed, the Depositary may continue to discharge its functions and responsibilities until all the assets of the sub-fund have been transferred to the new depositary bank.

## **5. INVESTMENT POLICY AND OBJECTIVES**

### **5.1 Investment objectives**

The SICAV offers an investment vehicle targeting long-term, risk-adjusted capital appreciation by means of a diversified portfolio of target funds whose objective is generally to aim for a low correlation rate in relation to traditional markets. The aim is to offer investors a new class of assets with which to better diversify their global portfolios.



## 5.2 Investment policy

- 1 The SICAV acts a fund of funds and invests its assets in a diversified and multi-strategy portfolio of target funds, essentially aiming to achieve "absolute yield" (also called "Alpha strategies").
- 2 A sub-fund may acquire and/or hold shares to be issued or having been issued by one or more sub-funds of the SICAV (the one or more "target sub-funds"), without the SICAV being subject to the requirements stipulated by the Law of 10 August 1915 on commercial companies, as amended, in terms of the subscription, acquisition and/or holding by a company of its own shares, subject, however, to the following:
  - The target sub-fund does not in turn invest in the sub-fund invested in this target sub-fund; and
  - The proportion of assets that the target sub-funds whose acquisition is contemplated may invest overall in the units of other target sub-funds of the same UCI does not exceed 10%; and
  - Any voting rights attached to the respective securities will be suspended for as long as they are held by the sub-fund in question, without prejudice to the appropriate treatment in the accounts and the interim reports; and
  - In any event, for as long as these securities are held by the SICAV, their value will not be accounted for in the calculation of the net assets of the SICAV for the purpose of verifying the minimum assets level imposed by the Law of 2010.
- 3 The sub-funds may hold money market instruments, cash, transferable securities and other financial instruments.
- 4 The sub-funds may also use derivative products such as options, swaps and futures both for investment and hedging purposes.
- 5 A sub-fund may make use of total return swaps or other derivative financial instruments which have the same characteristics, for example certificates for differences, for the purpose of (long or short) exposure, hedging or arbitrage.

The underlying instruments to these operations may be individual securities or financial indices (equities, interest rates, credit, foreign currencies, commodities, volatility etc.) in which the sub-fund may invest in accordance with its investment objectives.

A sub-fund may conduct credit derivative transactions (single underlying or on a credit index) for the purposes of exposure, hedging or arbitrage.

These transactions are undertaken with counterparties which specialise in this type of transaction and are covered by agreements among the parties. They are carried out within the framework of the investment policy and the risk profile of each individual sub-fund.

The investment policy of each sub-fund set in the Fact Sheet specifies whether a sub-fund is permitted to make use of total return swaps or these other forms of derivative financial instruments with the same characteristics and also of credit derivatives.
- 6 Taking account of environmental, social and governance criteria (ESG)

The Fact Sheet of each sub-fund will state the category in which it is classified for the purposes of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR Regulation"), namely:

  - Sub-fund which has sustainable investment as its objective ("Article 9 of the SFDR Regulation");





- Sub-fund which promotes, among other characteristics, environmental and/or social characteristics ("Article 8 of the SFDR Regulation");
- Other sub-fund which does not have sustainable investment as its objective and which does not specifically promote environmental and/or social characteristics.

### **Alignment with the Taxonomy**

The European taxonomy of green activities (the "Taxonomy") – Regulation (EU) 2020/852 is part of the EU's global efforts to meet the objectives of the European Green Deal and to allow Europe to achieve climate-neutrality by 2050. Specifically, this Regulation sets out six environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- The transition to a circular economy;
- Pollution prevention and control;
- The protection and restoration of biodiversity and ecosystems.

For directly-managed investments and/or for the underlying funds managed by Candriam, the environmental aspects making up these six environmental objectives are placed at the heart of the ESG analysis of issuers.

For the sub-funds which have sustainable investment as their objective and also for the sub-funds which promote, among other characteristics, environmental and/or social characteristics, this work to evaluate the contribution of issuers to the main environmental objectives, in particular the battle against climate change, requires a sector-based appraisal based on a heterogeneous data set and complex realities with multiple interdependencies. Candriam's ESG analysts also anticipated the entry into force of the criteria fixed by the EU, and developed their own analysis framework. This will enable a systematic evaluation of the contribution of a company's activities to various environmental objectives defined by Candriam and in line with the Taxonomy.

Following the publication of the technical criteria for the Taxonomy's 2 environmental objectives related to climate change by the group of experts created at the European level, Candriam has undertaken to integrate these criteria into its pre-existing analysis framework.

Such an analysis covering the entire scope of affected issuers is only possible with effective publication of certain data by these key issuers, allowing a detailed appraisal of their contribution to be made.

At present, only a small number of companies in the world provide the minimum data required for a rigorous evaluation of their alignment with the Taxonomy.

As a result, the weakness of data enabling an accurate appraisal of the criteria enacted in the Taxonomy means that it is still not possible to define a minimum percentage of alignment with the European Taxonomy for these sub-funds.

For the sub-funds which do not have sustainable investment as their objective and which do not specifically promote environmental and/or social characteristics, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. As such, these sub-funds are prohibited from publishing information about alignment with the Taxonomy.



- 7 In addition, in order to increase its yield and/or reduce its risks, each sub-fund is authorised to make use of the following efficient portfolio management techniques covering transferable securities and money market instruments:

a) Reverse repurchase transactions

Each sub-fund may enter into reverse repurchase transactions for which on maturity the seller (counterparty) is required to take back the asset contained in the repurchase agreement and the sub-fund is required to return the asset contained in the reverse repurchase agreement.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The type of securities contained in the reverse repurchase agreement and the counterparties meet the requirements of CSSF Circular 08/356 and such conditions as are defined in point 15 of the section entitled *Investment restrictions* of the Prospectus.

For the term of the reverse repurchase agreement, the sub-fund may not sell or use the securities which are contained in this agreement as a pledge/collateral unless the sub-fund has other means of coverage.

b) Repurchase transactions

Each sub-fund may enter into repurchase agreements for which on maturity the sub-fund is required to reacquire the asset contained in the repurchase agreement and the seller (counterparty) is required to return the asset contained in the reverse repurchase agreement.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The type of securities contained in the repurchase agreement and the counterparties meet the requirements of CSSF Circular 08/356 and such conditions as are defined in point 15 of the section entitled *Investment restrictions* of the Prospectus.

The relevant sub-fund must, on expiry of the term of the repurchase agreement, have the necessary assets to pay the agreed return price to the sub-fund.

The use of these transactions must not result in a change in its investment objectives or result in additional risks being taken which exceed its risk profile as defined in the Prospectus.

c) Associated risks and mitigation measures

The risks associated with efficient portfolio management techniques (including collateral management) are identified, managed and restricted by the risk management process. The principal risks are counterparty risk, delivery risk, operational risk, legal risk, custody risk and conflict of interest risk (as defined in the article entitled Risk factors), and such risks are mitigated by the organisation and the procedures defined by the Asset Manager as follows:



*i. Selection of counterparties and legal framework*

The counterparties to these transactions are approved by the Asset Manager's Risk Management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised rating agency or considered to be of equivalent quality by the Asset Manager. These counterparties are entities which are subject to prudential supervision and belong to the categories authorised by the CSSF (credit institution, investment company, etc.), and which specialise in this type of transaction. The counterparties are located in an OECD member country.

*ii. Financial collateral*

See Management of financial collateral for OTC derivative products and efficient portfolio management techniques in Investment restrictions below.

*iii. Restrictions on reinvestment of financial collateral received*

See Management of financial collateral for OTC derivative products and efficient portfolio management techniques in Investment restrictions below.

*iv. Measures taken to reduce the risk of conflicts of interest*

To mitigate the risk of a conflict of interest, the Asset Manager has established a process for selecting and monitoring counterparties through committees organised by the risk management department. In addition, the remuneration of these transactions is in line with market practices in order to avoid any conflict of interest.

*v. Remuneration policy for reverse repurchase agreements*

Income from reverse repurchase agreements is paid in full to the sub-fund.

*vi. Remuneration policy for repurchase agreements*

This activity does not generate income.

*d) Periodic investor information*

Further information on the conditions of application of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

### **5.3 Comparison between traditional investments and alternative investments**

Unlike traditional investments, alternative management is based on the hypothesis that the financial markets are not efficient, and some of these inefficiencies can therefore be exploited without, however, increasing the risks associated with these investments.

The main differences between traditional and alternative investment can be summarised as follows:

- While traditional management is based on building portfolios in which securities are purchased ("long" positions), essentially equities and bonds, alternative management will often use both "long" positions (purchases) and "short" positions (short sales) and will use derivative products, sometimes to a large extent, for hedging and speculative purposes.
- While traditional management seeks to outperform a benchmark index established beforehand, alternative management will seek to generate an absolute performance under all market conditions (rising, falling, stable etc.).



- Unlike traditional management, the use of financial leverage in alternative management is often limitless, and can sometimes be extremely high, although this may not be used by some funds. A high financial leverage will accentuate upward or downward the fluctuations of the financial positions taken by the Asset Manager.
- Alternative management funds can optimise the management of their cash flow by recourse to money market funds.
- Finally, unlike traditional investment, alternative investment seeks to generate performance which is decorrelated as far as possible from the main financial markets.

The alternative strategies used by hedge funds are far from homogeneous but form a vast range of strategies whose risk profiles and performances vary substantially from one to the next. Nonetheless, the majority of these strategies fall into one or more of the following categories (these definitions are for illustrative purposes only and are not exhaustive):

- *Convertible bond arbitrage*: purchasing convertible bonds while simultaneously selling the underlying equity.
- *Interest rate arbitrage*: simultaneously purchasing and selling interest rate instruments with extremely similar characteristics or valuations falling outside their historical or theoretical levels.
- *Mergers/acquisitions arbitrage*: these strategies are aimed at merger and acquisition announcements and very often involve purchasing stock in the company being acquired while short-selling the acquiring company.
- *Long/short equity strategies*: simultaneously buying and selling equities in certain geographical regions and/or economic sectors. The exposure arising from these positions may be positive, negative or neutral relative to the market in general.
- *Macro and/or global macro*: strategies which may involve investing in all types of financial instrument (equities, bonds, commodities, etc.) on all markets and in all currencies. The investments made when employing these strategies are often linked to an analysis of the fundamental macro-economic aspects (factors such as the interest rates and exchange rates).
- *Futures and/or managed futures*: buying and selling futures and/or options, mainly in interest rates, commodities and currencies.
- *Equity short-selling strategies*: simultaneously buying and selling equities in certain geographical regions and/or economic sectors. Short sale funds are net sellers of equities or indices. Exposure from these positions is therefore negative in relation to the market in general.
- *Distressed securities*: buying or selling stock in struggling companies or companies undergoing restructuring or court-ordered liquidation. By its very nature, this strategy implies a higher risk of capital loss than most other strategies.

#### 5.4 Due Diligence

The due diligence process undertaken before any decision to invest in a target fund involves the two stages below: the quantitative analysis and, on a case-by-case basis, the qualitative analysis. These two stages aim to answer certain fundamental questions:

- Why has the fund recorded such performances (what is the inefficiency exploited by the manager)?



- How has the fund recorded such performances (what measures will the manager adopt to exploit these inefficiencies)?
- When has the fund recorded such performances (in what market environment are these inefficiencies likely to be best exploited)?

The need to diversify and the portfolio construction principles imply investments in positions representing variable percentages of the portfolio. Care and the due diligence methods used should be proportionate to the size of the investment. Some stages could be simplified for secondary positions.

#### 5.4.1 Quantitative analysis

The quantitative analysis is based on the statistical analysis of the data relating to the past performance of a target fund over different periods of time. Among other things, this analysis aims to determine the existing correlation between these funds and the financial markets in general (equities, bonds, commodities etc.) and the way in which these funds behave when specific events arise (liquidity crises, periods of interest rate rises, falling stock markets etc.). This analysis will aim to differentiate between the components external to the performance of the funds studied (financial market trends) and the internal components (quality of the managers, inefficiencies on which strategies are based, etc.). Nonetheless, many funds do not have a record of past performance covering an entire market cycle (several years). This quantitative analysis must therefore be completed (or replaced for newly-created funds) by a qualitative analysis so as to increase or decrease the level of confidence in a fund being able to reproduce its past performance.

#### 5.4.2 Qualitative analysis

While two funds can have identical performances, it is very possible that the strategies used by both funds are different. The qualitative analysis will aim to answer certain questions as to whether past performance is susceptible of being reproduced in the future. The Asset Manager will therefore examine the following points in particular:

- *Quality and stability of the teams:* the Asset Manager should aim to ensure, in good faith, that the persons directly linked with the management of the analysed fund are those responsible for its past performance. In order to better establish the quality of these persons, the Asset Manager will learn about their professional history, their reputation in the industry and their performance in other institutions.
- *Structures of the target funds:* the Asset Manager's selection process will focus on target funds with structures that do not favour asset valuation manipulation or asset misappropriation.
- *Strategies developed by the target funds:* the strategies used by the target funds should be clearly defined and the risks clearly set out and understood. The Asset Manager should also ensure that the inefficiencies exploited by the target funds will continue to exist in the future, and that the organisation has all the necessary resources to control the risk parameters associated with the different strategies (concentration of positions, liquidity of financial instruments used, financial leverage of target funds, use of derivative products, credit risk limits, etc.).
- *Relations between the parties:* The Asset Manager will favour investment in target funds that prioritise the independence of the parties involved in the life of these funds (depositories, brokers, accountants, auditors etc.).
- *Operational aspects of the target funds:* The Asset Manager will aim to ensure, when conducting on-site visits for example, that the organisation set up by the managers of the target funds (back office, IT systems etc.) comply fully with the organisation and investment rules defined by these managers.



The Asset Manager may have these different points analysed by means of studies conducted by specialist consultants.

**The Fund Manager will manage the assets of the SICAV within the limits of an obligation of diligence, and cannot guarantee a precise result. With the exception of wrong-doing or gross negligence on its part, the Asset Manager may not be held liable for the results of its management and selection of the target funds.**

## 6. INVESTMENT RESTRICTIONS

Each sub-fund will be managed by the Asset Manager within the limits of the investment restrictions listed below, although a sub-fund could be subject to different or additional investment restrictions, which will be listed in the Fact Sheet for this sub-fund.

- 1 A sub-fund may acquire units in an open-ended target fund or a closed-end target fund, provided that the sum of the value of the new investment in such fund and the value of the investments already held in this fund does not exceed 20% of the net assets of the sub-fund. If the above limit is exceeded outside the control of the SICAV, the primary objective of the Asset Manager, in its sales transactions, will be to regularise this situation in the interests of the shareholders.
- 2 A sub-fund is authorised at any time to hold up to 50% of the units issued by a single target fund or by the master in the case of a target fund with a master-feeder type or similar structure. If a sub-fund were to hold more than 50% of the units issued by a target fund, the Asset Manager must dispose of some of these units, as soon as possible, in order to comply with the investment restrictions and in consideration of the interests of the shareholders. Furthermore, sub-funds may not together hold more than 50% of the units issued by a single target fund or by the master in the case of a target fund with a master-feeder type or similar structure.
- 3 A sub-fund may invest directly in real estate, commodities or works of art.
- 4 A sub-fund may not hold units of closed-end target funds representing a total value in excess of 30% of the net assets of the sub-fund.
- 5 A sub-fund may not borrow more than 25% of its net assets. These loans must be agreed with first-class professionals specialising in this type of transaction and must be for the purpose of investments.
- 6 A sub-fund may not grant loans or guarantees in favour of third parties.
- 7 A sub-fund may not invest more than 20% of its net assets in UCIs whose main objective is investment in other UCIs or in UCIs whose main objective is investment or exposure in the real estate market.
- 8 A sub-fund may not invest more than 10% of its net assets in securities (other than UCIs) not listed on the stock exchange or traded on another regulated market operating regularly, recognised and open to the public.
- 9 A sub-fund may not acquire more than 10% of securities of the same type issued by the same issuer.
- 10 A sub-fund may not invest more than 20% of its net assets in securities of the same issuer.
- 11 If the market conditions so require, the Asset Manager may invest a large proportion of the UCI in monetary assets (money market instruments, monetary UCIs, deposits etc.) or in other traditionally-managed UCIs.



The restrictions listed in points 8, 9 and 10 above do not apply to securities issued or guaranteed by a Member State of the of the OECD or by their local authorities or by supranational institutions and EU, regional or worldwide organisations.

- 12 The sub-fund may invest also in target funds established in jurisdictions where less supervision is carried out by the supervisory authorities. These include, among others, Jersey, the Cayman Islands, the Netherlands Antilles and the British Virgin Islands. This list is not exhaustive. The Target Funds may also be located in European Union Member States, Switzerland, the United States of America, Canada, Japan and Hong Kong.
- 13 As some of the SICAV's sub-funds are funds of funds, when they invest in another sub-fund of the SICAV or in other UCITS and/or UCIs (hereinafter "underlyings"), fees and costs are deducted by the sub-fund and by the underlyings. The management fee for the underlyings will be a maximum of 4% per annum.

If a sub-fund invests in the shares of another sub-fund of the SICAV or in units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the Asset Manager or by any other company with which the Asset Manager is associated through a relationship of common management or common control or through a significant direct or indirect shareholding, the Asset Manager or the other company may not charge subscription or redemption fees to the sub-fund.

- 14 In over-the-counter transactions, the counterparties to these transactions are approved by the Asset Manager's Risk Management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised rating agency or considered to be of equivalent quality by the Asset Manager. These counterparties are entities which are subject to prudential supervision (credit institution, investment company, etc.) and which specialise in this type of transaction. The counterparties are located in an OECD member country. Each transaction is governed by a contract the clauses of which have been validated by the legal department/Risk Management department.

The SICAV may be required to be party to agreements under which terms financial collateral may be granted under the conditions set forth under the paragraph "Management of financial collateral for over-the-counter derivative products and techniques for the efficient management portfolio" below.

Additional information on these derivative financial instruments, notably the identity of the one or more counterparties to the transactions, along with the type and the amount of financial collateral received by the SICAV, are shown in the annual report of the SICAV.

In the month preceding a closure, cancellation, liquidation or demerger operation, and in the thirty days preceding a sub-fund merger, the investment policy of the sub-funds affected by these operations may be deviated from, as indicated in the Fact Sheets of the Prospectus.

- 15 Management of financial collateral for OTC derivative products and efficient portfolio management techniques.

a) General criteria

All collateral to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- Liquidity: any collateral received in a form other than cash must have a strong level of liquidity and be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.





- Valuation: the collateral received will be valued on a daily basis and assets with highly volatile prices will only be accepted as collateral if sufficiently prudent safety margins are in place.
- Credit quality of issuers: the financial collateral received must be of excellent quality.
- Correlation: the financial collateral received must be issued by an entity which is independent of the counterparty and does not have a strong correlation with the counterparty's performance.
- Diversification: the financial collateral must be sufficiently diversified in terms of the countries, markets and issuers (for the net assets). As regards issuer diversity, the maximum exposure to an issuer through the collateral received must not exceed 20% of the net assets of the respective sub-fund. However, this limit is raised to 100% for securities issued or guaranteed by a member state of the European Economic Area (EEA), by its local authorities, by a member state of the OECD or by public international bodies to which one or more member states of the EEA belong. These issuers must be highly rated (in other words rated at least BBB-/Baa3 by a recognised rating agency or regarded as such by the Asset Manager). If the fund exercises this latter option, it must hold securities belonging to at least six different issues, with securities belonging to the same issue not exceeding 30% of the total amount of the net assets.

The management risks connected with collateral, such as operational and legal risks, must be identified, managed and restricted by the risk management process.

The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

b) Types of authorised collateral

The permitted types of financial collateral are as follows:

- Cash denominated in a currency of an OECD member state;
- Highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by public sector issuers from an OECD country (governments, supranational bodies, etc.) and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 30 years;
- Highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by private sector issuers from an OECD country and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 15 years;
- Equities listed or traded on a regulated market of a member state of the European Union or on a stock exchange of a state which is a member of the OECD provided the equities are included in a significant index;
- Shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, highly rated bonds or shares that meet the conditions stated above.

The Asset Manager's risk management department may impose stricter criteria in terms of the collateral received and thereby exclude certain types of instruments, certain countries, certain issuers or certain securities.





In the event of materialisation of the counterparty risk, the SICAV could end up owning the financial collateral received. If the SICAV is able to dispose of such collateral at a value corresponding to the value of the loan/assets transferred, it would not bear negative financial consequences. Otherwise (if the value of assets received as collateral fell below the value of the assets loaned/transferred before they could be sold), it might incur a loss equal to the difference between the value of the assets loaned/transferred and the value of the collateral once it is liquidated.

c) Level of financial collateral

The Asset Manager has put in place a policy which requires a level of financial collateral based respectively on the type of transactions as follows:

- Repurchase agreements and reverse repurchase agreements: 100% of the value of the assets transferred;
- Over-the-counter derivative financial instruments: during the course of transactions in over-the-counter financial instruments, some sub-funds may hedge transactions by making margin calls in cash in the currency of the sub-fund subject to the restrictions stated in this article as regards the counterparty risk.

d) Discounting policy

The Asset Manager has put in place a discounting policy suitable for each asset class received as financial collateral.

For each of the categories of assets shown below, the Asset Manager may apply the following discounts and reserves the right to apply additional discounts depending on market conditions:

Asset category	Discount
Cash	0%
Debt securities issued by public sector issuer	0-4%
Debt securities issued by private sector issuer	2-5%
Equities, UCI units/shares	2-8%

e) Reinvestment of cash

Non-cash financial collateral may not be sold or reinvested or pledged.

Collateral received in cash can only be placed with counterparties meeting the above eligibility criteria, invested in highly rated government loans, used for the purpose of reverse repurchase transactions that can be recalled at any time or invested in short-term monetary funds, in accordance with the applicable diversification criteria.

Although invested in assets with a low degree of risk, the investments may, nevertheless, contain some limited financial risk.

f) Safekeeping of collateral

In the event of transfer of ownership, the collateral received will be held by the Depositary or a sub-custodian. In other types of collateral agreement, the collateral is held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial collateral.



The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

- g) Financial collateral in favour of the counterparty

Certain derivative financial instruments may initially require collateral to be lodged in favour of the counterparty (cash and/or securities).

- h) Periodic investor information

Further information on the use of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

## 16 Valuation

- a) Reverse repurchase and repurchase agreements

Reverse repurchase and repurchase agreements are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.

- b) Collateral

Collateral received is valued daily by the Asset Manager and/or the collateral agent. This valuation follows the valuation principles defined in the Prospectus, applying the discounts applicable to the instrument type.

Collateral provided is valued daily by the Asset Manager and/or the collateral agent.

## 7. RISK FACTORS

### 7.1 General risks

#### 1. General

- 1.1 Any investment in the SICAV should be considered as complementary to a traditional portfolio. A traditional portfolio is made up of bonds, equities and money market investments in different currencies. Alternative investments generally aim for a low, even negative, correlation in relation to the financial markets, while traditional investments are closely linked to the trends of these markets.
- 1.2 Potential investors should be aware that investing in the SICAV implies a high level of risk, including a risk of capital losses on the total amount invested. Any investment in the SICAV should therefore be viewed as a medium/long-term investment which may not be suitable for all investors. Furthermore, the alternative fund investment process is, even more so than in other investment areas, subject to the judgement and subjective assessment of the Asset Manager.
- 1.3 Potential investors should also be aware of the fact that due to the complex strategies used by the different target funds, the list of all the identified risk factors cannot be considered exhaustive. All potential investors are asked to carefully read the whole Prospectus and the Fact Sheets accompanying this Prospectus and to consult their financial advisers before making any decisions.
- 1.4 Possible losses resulting from short sales in transferable securities are different from the possible losses resulting from investing cash in these transferable securities.



In the first case, the loss may be limitless, while in the second case, the loss is limited to the value of the cash invested in the transferable securities in question.

- 1.5 The leverage effect generates the opportunity for a higher return and therefore higher income, but at the same time increases the volatility of the value of the sub-funds' assets and thus the risk of capital losses. Any borrowings will incur interest charges that may be higher than the income and capital gains generated by the sub-funds' assets.
- 1.6 In view of the low liquidity of the SICAV's assets, it may not be able to meet the share redemption requests made by shareholders.
- 1.7 Some target funds investing in emerging markets present a particular risk due to the uncertainties linked to the economic and social policy of these countries and the management quality of the companies whose securities are held in the portfolio.

## **2. Risks associated with alternative investments**

- 2.1 The SICAV invests primarily in target funds implementing alternative strategies, principally in funds commonly known as hedge funds. Many of these strategies involve additional risks to those arising from traditional investments. Alternative investments are subject to a certain number of risks, as set out below, that the Asset Manager will seek to minimise through its supervision and monitoring procedures.
- 2.2 Most of the target funds implement alternative strategies, such as the short selling of assets, derivative products and leverage. This leverage may cause the asset value of a target fund to rise more quickly if the capital gains from the investments financed by borrowed funds exceed the associated costs, namely the interest on the assets borrowed and the premiums to be paid on derivative products. If the prices fall, on the other hand, the asset value of the target fund will fall more quickly. In extreme cases, this may result in a total loss in value of individual target funds.
- 2.3 Potential investors should also bear in mind that each sub-fund may borrow up to 25% of its net assets on a short-term basis. Any borrowings will incur interest charges that may be higher than the income and capital gains generated by the sub-funds' assets.
- 2.4 Some target funds in which a sub-fund invests may use a broker who acts as depositary of the assets, and not a bank. These brokers do not necessarily have the same credit rating as a bank and will only perform safekeeping functions for the assets, with no legal obligation to supervise these assets, unlike depositary banks operating subject to legal supervision. In some cases, the assets of the target fund may not be segregated from the broker's other assets.
- 2.5 The target funds may at any moment take substantial positions in identical or very similar financial instruments or markets. There is therefore no guarantee that the target funds a sub-fund invests in will truly provide diversification in investment styles and that the positions taken by the different target funds will always be consistent.
- 2.6 Some target funds will invest in illiquid instruments. Illiquidity increases the risks and can make it very difficult for a target fund to close certain positions against which the financial markets are oriented.
- 2.7 General economic conditions affect the level and volatility of prices and the liquidity of the markets. These conditions may positively or negatively impact on the performance of the target funds, some of which will be unable to achieve their objectives in some market conditions, which may persist for a significant period of time.



- 2.8 Most target funds have a performance-related management fee structure, meaning that the managers of target funds may be led to make more risky and speculative investments.
- 2.9 The performance of funds using alternative strategies is highly dependent on the quality of the managers and the infrastructure available to them.
- 2.10 Some target funds use complex strategies involving frequent transactions and it may be that they pay brokerage fees that are significantly higher than those paid by other investment funds of a comparable size.
- 2.11 The sub-funds will also invest in target funds situated in jurisdictions where little, even no, supervision is exercised on them by the supervisory authorities. Investors should also be aware that the applicable legal situation in some countries regarding accounting standards may not always ensure that the value of the assets in question is correctly reflected in their associated accounting documents. Similarly, the problem of a reservation of title against third parties and issuers could arise due to legal or other insufficiencies in the legislation of some countries. Finally, the payment default of the issuers concerned cannot generally be ruled out. Although the Asset Manager will ensure that security is sufficient and will protect the interests of investors, potential investors should be aware that this protection could be less efficient than if the fund was supervised by a supervisory body.

### 3. Other risks

- 3.1 **Risk of capital loss:** there is no guarantee for investors relating to the capital invested, and investors may not receive back the full amount invested.
- 3.2 **Interest rate risk:** a change in interest rates, resulting in particular from inflation, may cause a risk of losses and reduce the net asset value of the sub-fund (especially in the event of a rate increase if the sub-fund has a positive rate sensitivity and in the event of a rate reduction if the sub-fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations. A change in inflation, in other words a general rise or fall in the cost of living, is one of the factors potentially affecting interest rates and consequently the NAV.
- 3.3 **Credit risk:** risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.  
Some sub-funds may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. These sub-funds may also be exposed to the risk that a selected issuer will default, i.e. will be unable to honour its debt repayment, in the form of coupons and/or principal. Depending on whether the sub-fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value. When evaluating the credit risk of a financial instrument, the Asset Manager will never rely solely on external ratings.
- 3.4 **Foreign exchange risk:** foreign exchange risk derives from the sub-fund's direct investments and its investments in forward financial instruments, resulting in exposure to a currency other than its valuation currency. Changes in the exchange rate of this currency in relation to that of the sub-fund may negatively affect the value of assets in the portfolio.
- 3.5 **Counterparty risk:** the sub-funds may use OTC derivative products and/or efficient portfolio management techniques. These transactions may cause a counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.



- 3.6 **Emerging countries risk:** market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall in the event of adverse movements in relation to the positions taken. Volatility may be caused by a global market risk or may be triggered by the vicissitudes of a single security. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten the volatility. Emerging countries may experience serious political, social, legal and fiscal uncertainties or other events that could have a negative impact on the sub-funds investing in them. In addition, local depositary and sub-custodial services remain underdeveloped in non-OECD countries and emerging countries, and transactions carried out in these markets are subject to transaction risk and custody risk. In some cases, the fund may be unable to recover all or part of its assets or may be exposed to delays in delivery when recovering its assets.
- 3.7 **Liquidity risk:** liquidity risk is defined as that of a position in the sub-fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the sub-fund's ability to comply at any with its obligations to redeem the shares of shareholders at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation, etc.), the quotation spreads may widen under less favourable market conditions, which could impact on the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.
- 3.8 **High leverage risk:** compared with other types of investment, some sub-funds in the SICAV will operate with a high level of leverage. Use of leverage can entail high volatility and the sub-fund may suffer higher losses depending on the leverage level.
- 3.9 **Delivery risk:** the sub-fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the sub-fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the sub-fund to honour the sale of these instruments on the market.
- 3.10 **Equity risk:** some sub-funds may be exposed to equity market risk through direct investment (through transferable securities and/or derivative products). These investments, which generate long or short exposure, may entail a risk of substantial losses. A variation in the equity market in the reverse direction to the positions can lead to the risk of losses and may cause the net asset value of the sub-fund to fall.
- 3.11 **Arbitrage risk:** arbitrage is a technique which consists in benefiting from the differences in prices recorded (or anticipated) between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrage transactions perform unfavourably (a rise in short transactions and/or fall in long transactions), the sub-fund's net asset value may fall.
- 3.12 **Concentration risk:** risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the sub-fund's portfolio value. The greater the diversification of the sub-fund's portfolio, the smaller the concentration risk. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).
- 3.13 **Model risk:** the management process of some sub-funds relies on establishing a model which is used to identify signals based on past statistical results. There is a risk that the model is inefficient and that the strategies used will produce a poor performance. There is no guarantee that past market situations will be reproduced in the future.



- 3.14 **Commodities risk:** trends for commodities may differ significantly from those of traditional transferable securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, in other words altering the expected scarcity of the product on the market. Commodities such as energy, metals and agricultural products, however, could have trends which are more closely correlated with each other. Unfavourable trends on these markets may cause the net asset value of a sub-fund to fall.
- 3.15 **Risk of conflicts of interest:** selection of a counterparty based on reasons other than the sole interest of the SICAV and/or unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.
- 3.16 **Risk associated with derivative financial instruments:** financial derivatives are instruments whose value depends on (or is derived from) one or more underlying financial assets (equities, interest rates, bonds, currencies, etc.). The use of derivatives therefore involves the risk associated with the underlying instruments. They may be used for purposes of exposure or hedging against the underlying assets. Depending on the strategies employed, the use of derivative financial instruments can also entail leverage risks (amplifying downward market movements). In a hedging strategy, the derivative financial instruments may, under certain market conditions, not be perfectly correlated to the assets to be hedged. With options, an unfavourable fluctuation in the price of the underlying assets could cause the sub-fund to lose all of the premiums paid. OTC financial derivatives also entail a counterparty risk (though this may be attenuated by the assets received as collateral) and may involve a valuation risk or a liquidity risk (difficulty selling or closing open positions).
- 3.17 **Risk associated with external factors:** uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on operation of the sub-fund. The fund may be subject to a number of legal and regulatory risks, in particular contradictory, incomplete, ambiguous and unpredictable interpretations or applications of laws, restricted public access to the regulations, practices and customs, ignorance or violations of laws by counterparties or other market participants, incomplete or incorrect transaction documents, the absence of amendments established or applied consistently in order to obtain redress, inadequate protection of investors or a failure to apply existing laws. Difficulties in asserting, protecting and enforcing rights may have a significant negative effect on the fund and its transactions. In particular, tax rules may be changed regularly or interpreted differently, increasing the amount of tax payable by the investor or the fund on its assets, income, capital gains, financial transactions or charges paid or received by service providers.
- 3.18 **Settlement risk:** the risk that settlement with a payment system does not take place as planned, because the payment or delivery by a counterparty does not occur or is not made in accordance with the initial conditions. This risk exists to the extent that some funds invest in regions where financial markets are not well developed. In regions where the financial markets are well developed, this risk is low.
- 3.19 **Custody risk:** the risk of loss of assets held by a depositary as a result of insolvency, negligence or fraudulent action by the depositary or a sub-custodian. This risk is mitigated by the regulatory requirements governing depositary services.
- 3.20 **Volatility risk:** a sub-fund may be exposed (taking directional positions or using arbitrage strategies for example) to market volatility risk and could therefore, based on its exposure, suffer losses in the event of changes in the volatility level of these markets.
- 3.21 **Legal risk:** the risk of litigation of all kinds with a counterparty or a third party. The Asset Manager aims to reduce these risks by putting in place controls and procedures.





**3.22 Operational risk:** the operational risk is the risk of direct or indirect losses associated with a number of factors (such as human error, fraud and malice, IT system failures and external events, etc.) which may have an impact upon the fund and/or the investors. The Asset Manager aims to reduce these risks by putting in place controls and procedures.

**3.23 Hedging risk of the share classes:** in some sub-funds, the SICAV may provide two types of hedging aimed at reducing foreign exchange risk: hedging against fluctuations in the reference currency and hedging against the foreign exchange exposure of the assets forming the portfolio. These techniques involve different types of risk. Investors must be aware that the hedging of foreign exchange cannot be a total and permanent process and may not therefore fully neutralise the foreign exchange risk and so there may be differences in performance. Any gains or losses that may arise from the hedging process are borne separately by the holders of these classes.

**3.24 Risk of changes to the benchmark index by the index provider:** Shareholders should note that the benchmark index provider has full discretion to determine and therefore alter the characteristics of the relevant benchmark index for which it acts as sponsor. Under the terms of the licence contract, an index provider may not be required to give licence holders using the relevant benchmark index (including the SICAV) sufficient notice of changes to the benchmark index. As a consequence, the SICAV will not necessarily be in a position to inform shareholders of the relevant sub-funds in advance of the changes made by the relevant index provider to the characteristics of the relevant benchmark index.

**3.25 Sustainability risk:** the sustainability risk refers to any environmental, social or governance-related event or situation that might affect the performance and/or reputation of issuers in the portfolio.

Sustainability risks may be subdivided into three categories:

- **Environmental:** environmental events may create physical risks for the companies in the portfolio. For example, such events could arise from the consequences of climate change, loss of biodiversity, changes in ocean chemistry, etc. Apart from these physical risks, the companies could be negatively impacted by steps taken by governments to address environmental risks (such as a carbon tax). These mitigation risks could affect companies depending on their exposure to the above risks and how well they adapt to them.
- **Social:** refers to the risk factors linked to human capital, the supply chain and the way companies manage their impact on society. Issues around gender equality, remuneration policies, health and safety and the risks associated with working conditions in general all fall within the social dimension. The social dimension also includes risks of violation of human rights or labour rights in the supply chain.
- **Governance:** these aspects are linked to governance structures, for example the independence of the board of directors, management structures, labour relations, remuneration and compliance, or tax practices. The thing that governance risks have in common is that they are due to inadequate oversight of the company and/or the lack of incentive for the company to move towards higher governance standards.

The sustainability risk may be specific to the issuer, depending on its activities and practices, but may also be due to external factors. If an unforeseen event occurs in a specific issuer such as a strike or more generally an environmental disaster, the event could have a negative impact on portfolio performance. In addition, issuers which adapt their activities and/or policies may be less exposed to the sustainability risk.



Possible mitigation measures to manage risk exposure include the following:

- Exclusion of controversial activities or issuers;
- Exclusion of issuers based on sustainability criteria;
- Inclusion of sustainability risks when issuers are selected or given weightings in the portfolio;
- Engagement and sound management of the issuers.

Where applicable, these mitigation measures are described in the section in the Prospectus describing the investment policy and/or in the Fact Sheet of each sub-fund.

### 3.26 Risks associated with investments in Target Funds

#### NAV calculation

The net asset value per share of each class will partly be calculated with reference to the net asset value of the Target Funds to which the assets of each sub-fund are allocated. The net asset value calculation procedures of these Target Funds may not correspond to the calculation method applied by the SICAV. In addition, the calculation of the net asset value per share of each class may be based on estimated net asset values of the Target Funds if no published net asset value is available for these Target Funds. These estimated net asset values may vary significantly from the real value of the net assets of the Target Funds in question on the valuation day. Such variations may not be reflected in the net asset value of the shares, meaning that the published net asset value per share of each class may be higher or lower than the real value of the net assets of the share on the particular valuation day. As a result, the redemption product of the shares or the amount payable by a subscriber or shareholder in order to subscribe to shares may constitute a discount (or a premium) on the value of the net assets attributable to these shares.

#### Valuation of the Target Funds

With regard to the Target Funds, the net asset value per share of each class is not audited (except at the end of the financial year) and is mainly based on the value of the assets of each sub-fund in the Target Funds. In valuing these holdings, the SICAV will have to rely primarily on unaudited financial information supplied or reported by the Target Funds, their agents and/or brokers. If the financial information used by a Target Fund to determine the value of its own securities is incomplete or inexact, or if the valuation does not correctly reflect the value of the assets of the underlying fund, the net asset value per share of each class of the related sub-fund within the SICAV may be negatively affected (in particular if subscriptions or redemptions are based on overestimated or underestimated net asset values). The SICAV will not generally receive detailed information about the securities and other financial instruments making up the portfolio of the Target Funds in which it is invested. Adjustments to the net asset value of a sub-fund will generally take place on the basis of the net asset value on that date, and not through adjustment of the previously communicated net asset values.

## 8. RISK MANAGEMENT

### 1. Calculating leverage

The regulations define leverage as any method by which the Asset Manager increases the exposure of a sub-fund that it manages, whether by borrowing liquidity or transferable securities, taking derivative positions or by any other means.

Leverage of each sub-fund is stated in the form of a ratio between the exposure of the sub-fund and its net asset value.





Sub-fund exposure is calculated according to the commitment method and according to the gross method as defined below.

The fact sheet for each sub-fund gives information about the sources of any leverage effects as well as the maximum leverage applicable using each of the methods.

a) Commitment method

Exposure calculated according to the commitment method corresponds to the sum of the absolute values of all the positions (including derivative financial instruments) – after applying hedging and netting arrangements – valued according to the provisions of the offering document and the Luxembourg AIFM Law.

b) Gross method

Exposure of a sub-fund calculated according to the gross method corresponds to the sum of the absolute values of all the positions (including derivative financial instruments, but not including assets subject to an insignificant risk of change in value) valued according to the provisions of the offering document and the Luxembourg AIFM Law.

2. Liquidity and management of the liquidity risk of the SICAV

a) Liquidity of the SICAV

Although the SICAV invests principally in target funds which carry entitlement to redeem shares or units within a reasonable period, there is no assurance that the liquidity of the investments of the target funds will be sufficient to meet the redemption applications at the exact time they are submitted. In addition, the target funds may (i) carry entitlement to redemption at different maturity dates that are more spaced out than the SICAV or (ii) specify a period during which their shares are not redeemable (lock-up period) or (iii) be closed, unlisted funds. Any lack of liquidity of the target funds may have an impact on the liquidity of the shares of the SICAV and the value of its investments. For this reason, the processing of redemption applications may be deferred in exceptional circumstances, including if there is a lack of liquidity, which may make it difficult to determine the net asset value of the SICAV's shares and consequently result in the suspension of the issue and redemption of the shares.

Furthermore, the liquidity of an investment in the SICAV is limited. Investors may thus ask for repayment for their shares on a monthly basis, but subject to notice of 45 calendar days before the valuation date concerned for all sub-funds.

The redemption price due to the investor is payable no later than 20 calendar days after the valuation date for which the investor requested the redemption of his shares for all sub-funds. Therefore investors may only receive the amount due to them as a result of the redemption of their shares within a period of 65 calendar days following the date of notice for all the sub-funds.

b) Management of liquidity risk

In order to manage a sub-fund's liquidity risk, the Risk Management department of the Asset Manager and/or its delegates:

- Takes action at the launch of the sub-fund to ensure that the liquidity expected of its investment universe is consistent with customers' redemption conditions (notice period, payment terms, etc.) under normal market circumstances;
- Validates any decision to suspend the calculation of the net asset value under exceptional circumstances (as defined in the section entitled *Suspension of net asset value calculation and the issue, redemption and conversion of the shares*);



- Regularly monitors the assets and the shareholder structure of the sub-fund, and performs liquidity crisis simulations in normal and exceptional circumstances. From these simulations it can be determined whether the sub-fund would be able to cope. These crisis simulations are regularly set against the reality of client redemptions in order to ensure they remain relevant and, if necessary, to reinforce them;
- In the case of an alert stemming from these crisis simulations, the risk management department takes the initiative to put in place the necessary measures. Notable examples of such measures are a reinforcement of internal liquidity rules, a recommendation to the SICAV's Board of Directors to amend subscription/redemption conditions for the sub-funds concerned or any other measure to make the sub-fund's liquidity profile consistent with its redemption policy.

The percentage of the sub-fund's assets requiring special treatment on account of their lack of liquidity would be disclosed in the SICAV's annual report.

Investors would be informed immediately if the SICAV had recourse to staggered redemption mechanisms or any other special treatment or if the SICAV decided to suspend redemptions. Any new arrangements taken by the Asset Manager to manage the liquidity of the SICAV will give rise to an update of the Prospectus and investors will be informed thereof in advance.

In addition, information about the risk profile of each sub-fund and the risk management systems used by the Asset Manager will be provided by the SICAV in its annual report.

## 9. THE SHARES

The shares will be issued as registered shares only.

The Asset Manager will issue a written confirmation of entry in the register.

No share certificates will be issued unless requested expressly by the shareholder. In this situation, the delivery of certificates will be at the cost and risk of the shareholder.

Shares are divisible into thousandths.

Any amendment to the articles of incorporation resulting in a change in the rights of a sub-fund or a class must be approved by the general meeting of the SICAV and by the shareholders of the sub-fund or class in question.

Subject to the following stipulations, all the shares of the SICAV, regardless of the class to which they belong, are freely transferable and, from the time of their issue, participate equally in the profits as well as the liquidation proceeds of their sub-fund.

Shares do not carry any preferential or pre-emptive rights and each share, regardless of its net asset value, carries the right to one vote at any general meeting of shareholders. The shares have no par value and must be fully paid-up and there are no limits to the number which can be issued unless there are specific restrictions relating to a sub-fund.

In the case of the allocation of rights to fractions of shares, the shareholder concerned will not have the right to vote up to the amount of that fraction but will have the right, where appropriate and insofar as this is determined by the SICAV as to the method for calculating the fractions (thousandths of shares), pro rata to the rights.



## 10. LISTING OF SHARES

The shares of the various sub-funds may be listed on the Luxembourg Stock Exchange at the discretion of the Board of Directors.

## 11. ISSUING OF SHARES AND SUBSCRIPTION AND PAYMENT PROCEDURES

Notwithstanding the restrictions specific to a sub-fund, the Board of Directors is authorised to issue an unlimited number of shares in any sub-fund at any time.

During the initial subscription period, the shares may be subscribed based on the conditions stated in the Fact Sheet attached to this Prospectus.

After the initial subscription period, shares will be issued at a price corresponding to the net asset value per share of the relevant sub-fund plus any commission and fees payable to the selling agents, as stated in the Fact Sheets for each sub-fund.

### Subscription procedure

The NAV Date, Valuation Date and cut-off time for subscription orders are set out in the Fact Sheets.

Any reference to the NAV Date must be interpreted as any Bank Business Day on which the net asset value is dated, as specified in the Fact Sheets. The Asset Manager may consider certain days not to be NAV Dates if the banks, stock exchanges and/or regulated markets involved (namely the markets in which the sub-fund is mainly invested), as determined by the Asset Manager for each sub-fund, are closed for trading and/or settlement. A list of the days considered not to be NAV Dates for the different sub-funds is available on the website [www.candriam.com](http://www.candriam.com).

The SICAV may, however, at the discretion of its Board of Directors, allow distributors, at their request, a maximum reasonable additional period of 90 minutes after the SICAV's official cut-off in order to allow them to centralise, globalise and send orders to the transfer agent. The net asset value remains unknown.

Applications must specify the name and address under which the shares are to be entered and the address to which confirmations of entry in the register of shareholders are to be sent.

The SICAV reserves the right to:

- a) Refuse all or part of a share subscription application;
- b) Redeem shares held by persons not authorised to purchase or own shares in the SICAV at any time.

### Subscription in kind

The SICAV may agree to issue shares against a contribution in kind of transferable securities, in accordance with the stipulations set down in Luxembourg law and provided such transferable securities comply with the objectives and the investment policy of the sub-fund in question.

Shareholders must bear all the costs associated to the subscription in kind, in particular brokerage fees, expenses in connection with the mandatory audit report, etc.

### Fair treatment of investors

Investors participate in the Sub-Funds by subscribing into, and holding, shares of individual Share



Classes. Individual shares of a single Share Class bear the same rights and obligations in order to ensure equal treatment of all investors within the same Share Class of the relevant Sub-Fund.

While remaining within the parameters profiling the different Share Classes of the relevant Sub-Fund, the Management Company may enter into arrangements, on the basis of objective criteria as further specified below, with individual investors or a group of investors providing for special entitlements for those investors.

Such entitlements shall be understood as being rebates on fees charged to the Share Class, or specific disclosures, and will be granted solely based on objective criteria determined by the Management Company and out of its own resources.

Objective criteria include, but are not limited to (alternatively, or cumulatively):

- The expected holding period for an investment in the Sub-Fund;
- The investor's willingness to invest during the launch phase of the Sub-Fund;
- The current or anticipated amount subscribed or to be subscribed by an investor;
- The total Asset under Management (AuM) held by an investor in the Sub-Fund or in any other product of the Management Company;
- The type of the investor (e.g. repackager, wholesaler, fund management company, asset manager, other institutional investor, or private individual);
- The fee or revenues generated by the investor with a group of, or all affiliates of the group to which the Management Company belongs.

Any investor or prospective investor within a Share Class of a given Sub-Fund which is, in the reasonable opinion of the Management Company, objectively in the same situation than another investor in the same Share Class who entered into arrangements with the Management Company is entitled to the same arrangements. In order to obtain the same treatment, any investor or prospective investor may liaise with the Management Company by addressing a request to the Management Company. The Management Company will share the relevant information on the existence and nature of such specific arrangements with the relevant investor or prospective investor, verify the information received from the latter and determine on the basis of the information made available to it (including by such investor or prospective investor) whether the latter is entitled to the same treatment or not.

## 12. REDEMPTION OF SHARES

Any shareholder may apply to have his shares redeemed by the SICAV. Redeemed shares are cancelled.

### Redemption procedure

The redemption application must be sent in writing, by telex or fax, to the SICAV or to the Transfer Agent. The application must be irrevocable (subject to the provisions of the chapter "Suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares") and must specify the number, sub-fund, class and all the necessary details to make the redemption payment.

Applications must be accompanied by the following:

The name under which the registered shares are registered, as well as any documents certifying a transfer and certificates if they have been issued.

The NAV Date (as defined in the section entitled *Issue of shares and subscription and payment procedures*), Valuation Date and cut-off time for redemption orders are set out in the Fact Sheets.



If:

- Redemption applications exceed 10% of the net assets of a sub-fund;
- Or if, in view of the low liquidity of the SICAV's assets, it is not able to meet the share redemption applications made by shareholders:

all or some of the redemption applications may be deferred on the decision of the Board of Directors. In both the above cases, the whole or partial deferral will take place at the consecutive net asset values of the sub-fund in question.

Shareholders' attention is drawn to the fact that in the event of the activation of the gate and automatic deferral of the unprocessed fraction of their redemption orders to the next NAV, they will not be ranked a priority vis-à-vis new redemption applications submitted on subsequent NAVs.

Shareholders whose redemption applications have not been fully honoured will remain shareholders of the SICAV for the portion of shares not yet redeemed and therefore still exposed to market risks.

In such a case, the shareholders will be offered the option to cancel all or some of their redemption orders presented before the redemption cut-off according to arrangements that will be defined in the notice to shareholders informing them of the decision of the Board of Directors to implement the gating mechanism.

Shareholders will be informed of the activation of the gate before the net asset value date.

The SICAV may, however, at the discretion of its Board of Directors, allow distributors, at their request, a maximum reasonable additional period of 90 minutes after the SICAV's official cut-off in order to allow them to centralise, globalise and send orders to the transfer agent. The net asset value remains unknown.

The redemption price of the SICAV's shares may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the net asset value has gone up or down.

Should the same subscriber issue a redemption application followed immediately by a subscription application for the same amount and for the same asset value, the redemption price and subscription price will offset each other and no cash will be moved. The deadlines for receiving applications are, in this case, 5 bank business days before a valuation date. The payment periods will not therefore apply and the shareholder will be exempt from the subscription fees.

### **Redemption in kind**

The SICAV may accept requests for share redemptions by reimbursement in kind through transferable securities, by observing the provisions of Luxembourg law.

Shareholders must bear all the costs associated to redemption in kind, in particular brokerage fees, expenses in connection with the mandatory audit report, etc.

The SICAV may also ask a shareholder to accept redemption in kind. In this case, the SICAV will bear the associated costs and shareholders will be free to refuse the request.

## **13. CONVERSION OF SHARES**

All shareholders may apply for the conversion of all or some of their shares subject to the limits and conditions stated in the Fact Sheets accompanying this Prospectus.

It is in principle permitted to convert shares subject to the compliance with conditions, particularly the eligibility conditions of the respective class as set in the Fact Sheets.



Conversions may be made between the same share class but different currencies.

The exchange risk linked to the conversion of shares in one currency to shares in another currency is borne by the investor requesting the conversion.

The application must be sent in writing, by telex or by fax to the SICAV or to the Transfer Agent and will specify the number of shares in question, the form of shares to be converted and the shares of the new class.

The conversion application must be accompanied by a duly completed transfer form or any other document certifying the transfer. Conversion is carried out free of charge to shareholders.

The NAV Date (as defined in the section entitled *Issue of shares and subscription and payment procedures*), Valuation Date and cut-off time for conversion orders are set out in the Fact Sheets.

The SICAV may, however, at the discretion of its Board of Directors, allow distributors, at their request, a maximum reasonable additional period of 90 minutes after the SICAV's official cut-off in order to allow them to centralise, globalise and send orders to the transfer agent. The net asset value remains unknown.

The rate at which all or part of the shares in a given class (the "original class") is converted into shares of another class (the "new class") is determined, as closely as possible, in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

A is the number of shares in the new class to be allocated

B is the number of shares in the original class to be converted,

C is the net asset value per share of the original class calculated on the valuation date in question,

D is the net asset value per share of the new class calculated on the valuation date in question,

E is the exchange rate between the currency of the original class and the currency of the new class on the valuation date. If the currency of the original class is the same as the new class, E will take the value 1.

If conversion applications exceed 15% of the net assets of the sub-fund, all or some of these applications may be deferred on a pro rata basis to be processed at the net asset value of the following valuation date of the respective sub-fund.

## 14. MARKET TIMING AND LATE TRADING

*Market timing* and *late trading*, as defined below, are formally prohibited in relation to subscription, redemption and conversion orders.

The SICAV reserves the right to reject subscription, redemption or conversion orders received from an investor suspected of such practices and, where applicable, reserves the right to adopt the necessary measures to protect the other shareholders.

### 14.1 Market timing

*Market timing* practices are not permitted.

*Market timing* means the arbitrage technique whereby an investor systematically subscribes and



redeems or converts the units or shares of the same UCI over a short period of time by exploiting time differences and/or shortcomings or deficiencies in the system used to determine the net asset value of the UCI.

#### **14.2 Late trading**

Practices associated with *Late trading* are not permitted.

Late trading means the acceptance of a subscription, conversion or redemption order after the cut-off time for the acceptance of orders on the relevant trading day and its execution at the price based on the net asset value applicable to that day.

## **15. THE FIGHT AGAINST MONEY LAUNDERING AND THE FINANCING OF TERRORISM**

### 15.1 Identification of subscribers

The SICAV, the Asset Manager, the Transfer Agent, and the selling agents shall at all times comply with the rules in Luxembourg relating to the combating of money-laundering and financing of terrorism and the prevention of the use of the financial sector for these purposes.

With regard to the combating of money-laundering and financing of terrorism, the SICAV, the Asset Manager and the Transfer Agent will ensure that the applicable Luxembourg legislation in this area is respected, and will satisfy themselves that subscribers are identified in Luxembourg in accordance with the legislation which is in force, including but not limited to Directive (EU) 2015/849, the Law of 12 November 2004 and CSSF Regulation No 12-02 of 14 December 2012, as amended from time to time.

The Transfer Agent has a duty to comply with rules in Luxembourg when it receives subscription applications. As such, when a shareholder or future shareholder submits a request, the Transfer Agent is required to identify the customer and the effective beneficiaries, and to verify their identity on the basis of documents, data or information from reliable and independent sources, applying a risk-based approach.

When the shares are subscribed by an intermediary acting on behalf of others, the Transfer Agent must put in place extra vigilance measures specifically seeking to analyse the robustness of the monitoring structures in the combating of money-laundering and financing of terrorism.

If there are any doubts as to the identity of a person making a subscription or redemption application due to a lack, irregularity or insufficiency of proof regarding that person's identity, it is the responsibility of the Transfer Agent to suspend or even reject the subscription application for the reasons set out above. In such circumstances, the Transfer Agent will not be liable for any costs or interest.

### 15.2 Identification of the risk level of the investment

In addition, when performing investment transactions, the SICAV, the Asset Manager and, if applicable, the entity to which the implementation of the portfolio management duties is delegated, must carry out an analysis of the risk of money-laundering and financing of terrorism associated with the investment and put in place vigilance measures which are appropriate for the evaluated and documented risk.

## **16. NET ASSET VALUE**

The net asset value of the shares of each sub-fund or operational class is determined in its respective currency in accordance with the articles of incorporation, which stipulate that this calculation will take place at least once a month. It will be rounded up to the nearest hundredth of the monetary unit of the





sub-fund.

The net asset value of the active sub-funds is calculated in Luxembourg on each Valuation Date, which may be different from the NAV Date as stated in the Fact Sheets. Any reference to the Valuation Date must be interpreted as any Bank Business Day during which the net asset value of the NAV Date is determined, and as specified in the Fact Sheets.

As a rule, the net asset value of each sub-fund will fluctuate in line with the value of the assets included in the underlying portfolio.

Given the specific nature of the SICAV (fund of funds), it should be noted that the net asset value of each sub-fund or class will fluctuate principally as a function of the net asset value of the UCIs in which the SICAV invests.

The percentage of the total net assets attributable to each class of shares of a sub-fund will be determined, at the launch of the SICAV, by the ratio of the number of shares issued in each class multiplied by the respective initial issue price and will be subsequently adjusted on the basis of subscriptions/redemptions and dividend distributions as follows:

- Firstly, when a dividend is distributed to distribution shares, the assets attributable to the shares of that class are decreased by the total dividend amount (causing a decrease in the percentage of the total net asset value attributable to that class of shares), whereas the net asset value attributable to the capitalisation share class remains unchanged (causing an increase in the percentage of the total net asset value attributable to that share class);
- Secondly, with regard to the issue or redemption of shares in a share class, the corresponding net asset value will be increased by the amount received or decreased by the amount paid respectively.

The net assets of each sub-fund will be valued as follows:

I. In particular, the SICAV's assets will consist of the following:

1. All cash amounts and bank balances including interest due but not yet received and interest accrued on these deposits up to the valuation date;
2. All notes and bills payable at sight and accounts receivable (including the proceeds from the sale of shares where the payment has not yet been received);
3. All securities, units, shares, bonds, options or subscription rights and other investments and transferable securities owned by the SICAV;
4. All dividends and distributions receivable by the SICAV in cash or as securities of which the SICAV is aware;
5. All interest due but not yet received and all interest produced up to the valuation date by securities owned by the SICAV, except where this interest is included in the principal amount of those securities;
6. The SICAV's start-up costs unless these have been amortised;
7. All other assets of any kind, including pre-paid expenses.

The value of these assets is determined as follows:

- a) Units in UCIs are valued on the basis of their latest net asset value. If their latest published net asset value date is more than 10 business days from the latest valuation date of the SICAV, it will be estimated prudently and in good faith and in accordance with generally accepted principles and procedures.
- b) The value of the cash on hand or on deposit, bills and tickets payable at sight and accounts receivable, prepaid expenses and dividends and interest announced or due but not yet received, will be made up of the nominal value of these assets, except if it is





unlikely that the value can be obtained; in the latter case, the value will be determined by reducing such value by an amount the SICAV considers adequate in order to reflect the real value of the assets.

- c) The SICAV's start-up costs unless these have been amortised.
- d) The valuation of any security listed on an official list or on any other regulated market, operating regularly, recognised and open to the public is based on the latest price known in Luxembourg, on the date and, if the security is traded on several markets, on the basis of the latest price known on the main market of that security; if the last known price is not representative, the valuation will be based on the probable realisable value that the Board of Directors will estimate prudently and in good faith.

Securities not listed or traded on a stock market or regulated market, which operates on a regular basis and is recognised and open to the public, will be valued on the basis of their probable realisable value estimated prudently and in good faith.

- e) All other assets will be valued by the directors on the basis of their probable realisable value, which must be estimated in good faith and according to generally accepted principles and procedures.
- f) Hedging forwards may be evaluated on the day they were concluded at the contract negotiation rate.

## II. The SICAV's liabilities will in particular consist of the following:

1. All borrowings, matured bills and accounts payable;
2. All known commitments, matured or otherwise, including all matured contractual obligations, the purpose of which is to obtain payment in cash or in kind, including the amount of dividends announced by the SICAV but not yet paid;
3. All reserves authorised or approved by the Board of Directors, particularly those formed with view to covering a potential capital loss on some of the SICAV's investments;
4. Any other liabilities of the SICAV regardless of their nature and type, with the exception of those represented by its own funds. When valuing these other liabilities, the SICAV will take into consideration all its expenses, in particular: incorporation costs, fees and charges payable to counterparties providing a service to the SICAV including management, performance and consulting fees, fees payable to the depositary and correspondent agents, the administrative agent, the transfer agent, the paying agents, etc., including out-of-pocket expenses, legal fees and audit fees, promotional expenses, the cost of printing and publishing the share sales documents and any other document concerning the SICAV such as financial reports, the cost of calling and holding shareholders' meetings and of any amendments to the articles of incorporation, the cost of calling and holding meetings of the Board of Directors, reasonable travel expenses incurred by the directors in carrying out their duties plus attendance allowances, share issue and redemption costs, dividend payment costs, taxes due to the supervisory bodies in foreign countries where the SICAV is registered including fees and charges payable to local permanent representatives, also the costs associated with maintaining registrations, taxes, charges and duties imposed by government authorities, stock exchange listing and follow-on costs, financial, banking or brokerage charges, the expenses and costs connected with subscription to an account or a license or any other request for paid information from financial index providers, ratings agencies or any other data suppliers, and all other operating expenses and all other administrative charges. When valuing the amount of all or some of these liabilities, the SICAV may estimate regular or periodic administrative and other expenses on the basis of one year or any other period, allocating the amount over that period on a pro rata basis, or may set a fee calculated and paid



as described in the sales documents.

In order to value these liabilities, the SICAV will take account of administrative and other expenses of a regular or periodic nature on a pro rata basis.

III. Each share in the SICAV that is in the process of being redeemed must be considered to be issued and outstanding until the close of business on the valuation date on which it is redeemed and will, from the close of business on that date until the redemption price is paid, be considered a liability of the SICAV.

Each share to be issued by the SICAV in accordance with subscription applications received will be treated as having been issued from the close of business on the valuation date on which its issue price is calculated, and its price will be treated as an amount due to the SICAV until received by it.

IV. As far as possible, any investments or divestments made by the SICAV up to a given valuation date will be taken into account.

V. The net asset value of each sub-fund will be expressed in its respective currency.

All the assets not expressed in the sub-fund's currency will be converted into this currency at the exchange rate in force in Luxembourg on the respective valuation date.

The net asset value of the SICAV is equal to the sum of the net asset values of the various sub-funds. The capital of the SICAV will, at all times, be equal to the net asset value of the SICAV and its consolidation currency is the EUR.

### **Rights of investors**

Concerning the protection of shareholders in the event of an incorrectly calculated net asset value or of a correction of the consequences of a failure to respect the investment rules applicable to the SICAV, the SICAV follows the principles and rules set out in CSSF Circular 02/77, as replaced by CSSF Circular 24/856 of 29 March 2024. The rights of the ultimate beneficiaries may be affected when compensation is paid in the event of errors/failures at sub-fund level when they subscribed to the shares through a financial intermediary. Investors are advised to seek advice regarding their rights.

## **17. SUSPENSION OF NET ASSET VALUE CALCULATION AND ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The Board of Directors is authorised to temporarily suspend the calculation of the net asset value of one or more sub-funds, as well as the issue, redemption and conversion of shares in the following cases:

- a) If the net asset value of the shares in underlying UCIs representing a substantial part of the investments of the sub-fund cannot be determined;
- b) Throughout the entire period during which one of the main markets or stock exchanges on which a substantial percentage of a given sub-fund's investments is listed is closed, except for normal closing days, or any period during which trading is subject to significant restrictions or is suspended (for example, suspension of redemption/subscription orders if the stock exchange is closed for half a day);
- c) If the political, economic, military, monetary or social situation, or any event of force majeure, beyond the responsibility or control of the SICAV, makes it impossible to access its assets by reasonable and normal means, without causing serious harm to shareholders' interests;



d) During any breakdown in the communication methods normally used to determine the price of any of the SICAV's investments or current prices on any market or stock exchange;

e) Where restrictions on foreign exchange or capital movements prevent the execution of transactions on behalf of the SICAV or where transactions to buy or sell the SICAV's assets cannot be carried out at normal exchange rates or where payments due in respect of the redemption or conversion of shares in the SICAV cannot, in the opinion of the Board of Directors, be made at normal exchange rates;

f) If a meeting of shareholders is convened to propose the winding-up of the SICAV.

Subscribers and shareholders offering shares for redemption will be advised of the suspension of net asset value calculation.

Pending subscriptions and redemption requests may be withdrawn by written instruction provided this is received by the SICAV or by the Transfer Agent before the end of the suspension.

Pending subscriptions and redemptions will be processed on the first valuation date following the lifting of the suspension.

## **18. APPROPRIATION OF INCOME**

### **18.1 General principles**

Each year, the general meeting of shareholders votes on proposals put forward by the Board of Directors in this regard.

For the capitalisation shares, the Board of Directors will propose in principle the capitalisation of the associated income.

For the distribution shares, the Board of Directors may propose to distribute the net income arising from investments for the financial year, realised and unrealised capital gains and the net assets, within the limits of the provisions of the Law of 2010.

The Board of Directors may, where it considers appropriate, make interim dividend payments.

### **18.2 Dividend distribution policy**

The SICAV may propose the distribution of dividends to holders of distribution shares. No dividend is generally paid in relation to capitalisation shares.

When the Board of Directors proposes the distribution of dividends at the general meeting of shareholders, the amount distributed is calculated subject to the limits stated by the Law of 2010.

For each share class, annual dividends may be declared separately to the general meeting of shareholders. The Board of Directors also reserves the right to pay interim dividends for each share class during the financial year.

For each share class, the SICAV may pay dividends more frequently as necessary or at different dates during the year as deemed appropriate by the Board of Directors. Share classes with the suffix:

- (m) may distribute dividends on a monthly basis,
- (q) may distribute dividends on a quarterly basis,
- (s) may distribute dividends on a semi-annual basis.



The Board of Directors may define dividend policies and payment methods for dividends and interim dividends.

For instance, the SICAV may offer share classes which will distribute a fixed dividend based on a fixed amount or a fixed percentage of the net asset value per share on the date set by the Board of Directors. This dividend will normally be paid at fixed intervals (quarterly for example) as deemed appropriate by the Board of Directors.

A timetable for payment of dividends including details of the distribution frequency and the basis of calculation of dividends are available from the Asset Manager and at the address: [www.candriam.com](http://www.candriam.com).

The attention of shareholders is drawn particularly to the following points:

- The amount of the dividend does not necessarily depend on income received or capital gains realised by the share class.
- The dividend paid may consist of a capital distribution provided that following such distribution, the net asset value of the SICAV is above the minimum capital requirement under Luxembourg law. The dividend paid may exceed the income of the share class, potentially eroding the invested capital. Shareholders should therefore note that when the dividend is higher than the income generated by the investments in a share class, it may be deducted from the capital of the share class in question and the realised and unrealised capital gains. In some countries, this may result in tax treatment that is detrimental to shareholders. They are therefore advised to evaluate their personal situation with their local tax adviser.

In addition, regarding share classes distributing a fixed dividend, shareholders should note the following in particular:

- During periods of negative performance of a sub-fund/share class, the dividend will continue to be paid as normal. As a result, the capital value of the investment of the sub-fund/share class may fall more quickly. The value of a shareholder's investment could therefore ultimately be reduced to zero.
- The Board of Directors will periodically revise the fixed distribution share classes, reserving the right to make changes. Changes to the distribution policy will be published on the Asset Manager's website.
- Payment of dividends cannot be guaranteed indefinitely.
- The Board of Directors may decide not to distribute a dividend for a share class or to reduce the amount of the dividend to be distributed.

Dividends unclaimed for a period of five years from the payment date can no longer be claimed and will revert to the shares classes concerned.

## **19. SEPARATION OF SUB-FUNDS' LIABILITIES**

The SICAV is one and the same legal entity. However, all assets of a specific sub-fund are accountable for the debts, liabilities and obligations relating to that sub-fund only. In relations between shareholders, each sub-fund is treated as a separate entity.

## **20. CHARGES AND FEES**

The fees related to the Asset Manager's activities are set out in the Fact Sheets.



The fees received by the Depositary are set out in the Fact Sheets.

These fees do not include costs and expenses (in respect of electronic communications, telephone, fax, bank confirmation fees, printing, publication or postage) incurred by the Asset Manager, its delegates and/or the Depositary in carrying out their duties.

The SICAV has borne its start-up costs, which were estimated at USD 12,000 over the first two financial years.

The SICAV bears all its operating costs as mentioned in article 15.

Charges and fees that are attributable to a specific sub-fund or class will be charged to it directly.

Other charges and costs that are not directly attributable to a specific sub-fund or class will be distributed equally amongst the various sub-funds or, if the amount of charges and costs so requires, will be deducted from the sub-funds in proportion to their respective net assets.

If new sub-funds are created, they will bear their respective start-up costs which will, if necessary, be amortised over the first two financial years following their creation.

In this case, the start-up costs to form and launch the SICAV, which are still not amortised on the formation date of the new sub-funds in question, will continue to be borne exclusively by the sub-funds in existence when the SICAV was formed.

## **21. TAXATION**

### **21.1 Taxation of the SICAV**

Under current Luxembourg legislation and according to current practice, the SICAV is not subject to any Luxembourg income or capital gains tax. Similarly, dividends paid by the SICAV are not subject to any form of Luxembourg withholding tax.

The SICAV is, however, subject to an annual tax in Luxembourg ("taxe d'abonnement") representing 0.05% of the total net asset value. This rate is reduced to 0.01% for classes subscribed by institutional investors and to 0% for the assets of the SICAV which are invested in units of other UCIs that are also subject to the tax.

Sub-funds are exempt from the "taxe d'abonnement" if:

- (i) the securities they contain are listed or traded on at least one stock exchange or another regulated market which operates regularly and is recognised and open to the public; and
- (ii) their sole purpose is to reproduce the performance of one or more indices.

This tax is payable quarterly based on the net assets of the SICAV calculated at the end of the quarter to which the tax relates. Certain dividend and interest income received by the SICAV portfolio may be subject to variable rate taxes deducted at source in the countries from which it originates.

### **21.2 Taxation of shareholders**

In Luxembourg, shareholders are not, under current legislation, subject to any tax whatsoever on capital gains, income, gifts, inheritance or deductions at source, except for shareholders who are domiciled, resident or who have an address in Luxembourg and certain residents of Luxembourg who hold more than 10% of the share capital of the SICAV.

The aforementioned provisions are based on the law and current practice and are subject to change.



Potential shareholders are advised to obtain information and, if necessary, seek advice about the laws and regulations (such as those on taxation and foreign exchange control) which apply to them as a result of the subscription, purchase, holding and sale of shares in their country of origin, residence or domicile.

## 22. LIQUIDATION

The SICAV will be liquidated under the conditions stipulated in the Law of 2010.

If the share capital of the SICAV falls below two-thirds of the minimum capital, the directors must refer the matter of winding up the SICAV to the general meeting of shareholders deliberating without attendance conditions and deciding by simple majority of the shares represented at the meeting.

If the share capital of the SICAV falls below one-quarter of the minimum capital, the directors must refer the matter of winding up the SICAV to the general meeting of shareholders deliberating without attendance conditions. The winding up may be declared by shareholders holding one-quarter of the shares represented at the meeting.

The meeting notice must be issued in such way as to ensure that the meeting is held within forty days of finding that the net assets have fallen, respectively, below two-thirds or one-quarter of the minimum capital. The SICAV may also be wound up at the decision of a general meeting of shareholders deliberating pursuant to the corresponding provisions of the articles of incorporation.

The decisions of the General Meeting of shareholders or of the court ordering the winding-up and liquidation of the SICAV are published in the Recueil Electronique des Sociétés et des Associations and in two adequately circulated newspapers, at least one of which will be a Luxembourg newspaper and in newspapers in countries in which the shares of the SICAV are distributed, if the legislation of these countries so require. Decisions are published at the behest of the liquidator(s).

In the event that the SICAV is dissolved, the liquidation procedure will be carried out by one or more liquidators appointed in accordance with the SICAV's articles of incorporation and the Law of 2010. The net proceeds of the liquidation will be distributed to the shareholders in proportion to the number of shares held. Any amounts not claimed by the shareholders when the liquidation process is complete will be deposited with the Caisse des Consignations in Luxembourg.

Unless reclaimed before the expiry of the 30-year prescription period, the amounts deposited may no longer be withdrawn.

In the event of a change in the economic or political situation which has a negative effect on the investment policy, and if considered to be in the interests of the shareholders, the Board of Directors may decide to merge or withdraw one or more sub-funds by cancelling the shares of this (these) sub-fund(s) either by repaying the shareholders of this (these) sub-fund(s) all the related net assets or by allowing them to switch to another sub-fund and therefore allocating them new shares in proportion to their previous holding. The decision of the Board of Directors will be published as described in 23.2 below.

Before any such merger can be carried out, shareholders in the sub-fund(s) to be merged may withdraw from that (those) sub-fund(s) by way of redemption, free of charge, for a minimum period of one month with effect from the date on which the merger decision is published.

The liquidation proceeds attributable to securities whose holders do not present themselves by the time the sub-fund closure procedure is complete will remain on deposit with the Caisse de Consignation in Luxembourg.



## 23. SHAREHOLDERS' GENERAL MEETINGS

The annual General Meeting of Shareholders is held each year at the registered office of the SICAV or any other place in Luxembourg specified on the meeting notice. It will take place within six months of the end of the financial year.

Announcements concerning all General Meetings of Shareholders will be sent by letter to all the registered shareholders at the address shown in the register of shareholders at least 8 days before the meeting date and will be published as described in 23.2 below.

These announcements will state the time and place of the General Meeting of Shareholders and the conditions of admission, the agenda and the requirements under Luxembourg law as regards the necessary quorum and majority.

In addition, they will be published in the media in the countries where the SICAV is marketed, where the legislation of these countries so requires.

The requirements concerning participation, quorum and majority during any general meeting of shareholders will be those set down in the Law of 10 August 1915 on commercial companies and in the SICAV's articles of incorporation.

## 24. SHAREHOLDER INFORMATION

### 24.1 Publication of net asset value

The net asset value per share of each sub-fund and the issue, redemption and conversion prices will be published on each valuation date at the registered office of the SICAV.

### 24.2 Notice to shareholders

Notices to shareholders including invitations to the general meetings of shareholders will be addressed to the shareholders by registered letter to their address as it appears in the register of shareholders or by any other means of communication (including electronic mail) that meets the conditions set out in the Law of 10 August 1915 on commercial companies and that has been accepted by the shareholder. Shareholders who omit to communicate their electronic address to the SICAV will be considered to have refused any electronic communication.

It will also be published in the media in the countries where the SICAV is marketed, where the legislation of these countries so requires.

### 24.3 Financial year and reports to shareholders

The financial year begins on 1 October each year and ends on 30 September the following year.

Every year, the SICAV publishes a detailed report on its activities and the management of its assets, including its balance sheet and consolidated profit and loss account expressed in EUR, a detailed breakdown of the assets of each sub-fund and the auditors' report.

Furthermore, at the end of each six-month period, it publishes a report including, notably, the composition of the portfolio, the movements in the portfolio over the period, the number of shares in issue and the number of shares issued and redeemed since the last publication.

The financial statements of the SICAV are prepared in compliance with the generally accepted accounting principles in Luxembourg, known as "Luxembourg GAAP".





#### **24.4 Registered auditors of the SICAV**

The SICAV had appointed PricewaterhouseCoopers, Luxembourg, whose registered office is at 2 rue Gerhard Mercator, BP 1443, L-1014 Luxembourg, to audit its annual reports and accounts. The extension of its term of office is subject to the approval of each annual general meeting.

The role of the auditors is to conduct an audit on the financial statements of the SICAV in accordance with the international auditing standards adopted for Luxembourg by the CSSF. These standards require that the auditors comply with the ethical rules and that they plan and conduct an audit in order to obtain reasonable assurance that the financial statements of the SICAV are free of material misstatement. It is therefore the responsibility of the auditors to express an opinion on the financial statements of the SICAV based on the audit.

Investors are invited to read to the SICAV's annual reports in order to obtain the audit report.

#### **24.5 Principal legal consequences of the contractual undertaking made for investment purposes**

Investors are legally bound by the articles of incorporation and the terms of this Prospectus.

The relationship between the investors in the SICAV must be conducted and interpreted in accordance with Luxembourg legislation.

Any difference or dispute between an investor and the SICAV will be subject to the exclusive jurisdiction of the courts of and in Luxembourg.

In so far as this applies, regarding the enforcement in Luxembourg of a firm and/or definitive civil or commercial judgment made by a member state of the European Union and to the extent that this judgment falls within the scope of application of Regulation (EC) No. 44/2001 of 22 December 2000 on the jurisdiction and the recognition and enforcement of judgments in civil and commercial matters ("Regulation 44/2001"), such judgment will generally be recognised and enforced in Luxembourg without examination of the contents, except in cases where it is contrary to public order.

#### **24.6 Publicly available documents**

The following documents may be examined during office hours on any weekday (except Saturdays and public holidays) at the SICAV's registered office:

- (a) The SICAV's articles of incorporation and any notarised deeds amending them, copies of which may also be obtained free of charge,
- (b) the SICAV's Prospectus,
- (c) The annual and semi-annual reports including past performances.
- (d) The key investor information document which (i) the SICAV has created in accordance with the formal and fund requirements of Regulation (EU) No 583/2010 of 1 July 2010, (ii) which is made available to future investors and (iii) which is available to investors on the Asset Manager's website at [www.candriam.com](http://www.candriam.com) or is available from the Asset Manager in printed form free of charge on request.

#### **24.7 Additional information**

In order to meet regulatory and/or tax requirements, the Asset Manager may, over and above the legal publications, communicate to investors requesting it the SICAV's portfolio composition and all information relating to it.

#### **24.8 Information for investors located in Asia**

To facilitate communication in the Asian time zones, investors have the option of contacting CACEIS Malaysia Sdn. Bhd directly to transmit their share subscription, redemption or conversion orders and to obtain any information or documentation concerning customer identification and/or Personal Data.



## 25. PROCESSING OF PERSONAL DATA

### 25.1 Introduction

In accordance with the provisions of the Luxembourg law on the protection of persons with regard to the processing of their personal data, and all applicable local laws and regulations ("**Applicable Data Protection Legislation**"), including pursuant to the entry into force of Regulation (EU) 2016/679 (the "**GDPR**"), the Management Company acting on behalf of the SICAV processes personal data and is therefore the data controller (the "**Data Controller**").

### 25.2 Processing of personal data

In the context of its operations, the Data Controller collects, records and processes, by electronic or other means, the personal data of investors and of their directors, managers, employees and effective beneficiaries (the "**Data Subjects**") for the purpose of providing the services requested by the investors and of meeting their legal and regulatory requirements. In particular, the Data Controller may process personal data for the following purposes:

- To enable and to facilitate investments in units of the SICAV and their ongoing management and administration (including creating, updating and maintaining the investors' accounts and the register of shareholders, processing share subscriptions, redemptions and conversions, executing securities transactions concerning the holding of units),
- For the SICAV's administrative purposes, to enable the Data Controller to meet its contractual obligations and to pursue legitimate interests and objectives (including dividend payments, investor information and communication, complaint processing, calling and holding shareholder meetings),
- To follow the applicable laws and regulations, including but not limited to applicable anti-money laundering rules, applicable tax requirements (especially FACTA-related), late trading and market timing practices, periodic and ad hoc communication to investors and local authorities, compliance with court orders,
- For any other particular purpose if the Data Subject has consented to such purpose,
- Customer relations management.

The above "legitimate interests" of the Data Controller include: (a) customer relations management; (b) the provision of proof of a transaction or of all commercial communication in the context of a dispute; also in the context of any plans to purchase, merge or acquire part of the activities of the SICAV, and (c) the exercise of activities of the SICAV according to reasonable market norms.

Considering the purposes for which the processing of personal data is envisaged, the Data Controller does not intend to obtain consent. If it relies on consent in order to process the personal data of the Data Subjects, the Data Controller will contact them to obtain such consent. If consent is obtained, the Data Subjects can withdraw their consent at any time.

In particular, investors' personal data processed by the Data Controller includes the name, details (postal address or e-mail address), tax identification number, bank details, and the amount invested and held in the SICAV ("**Personal Data**").

If the investor in question is not the Data Subject to whom the personal data relates, the investor will inform the Data Subject(s) of the processing of their personal data for the purposes described in this document, will provide them with a copy of this notice and, if necessary and appropriate, will obtain in advance their consent which may be required for the processing of their Personal Data. The Data Controller assumes that the investors comply with the commitments set out here.

The investor may at his/her discretion refuse to communicate Personal Data to the Data Controller. In this case, however, the Management Company, acting on behalf of the SICAV, may reject a subscription application for shares.



The Personal Data will not be kept for longer than necessary for the purposes for which it is processed, and is subject to the applicable retention periods.

### 25.3 Third party access to Personal Data and transfer outside the EEA

Apart from the Management Company acting on behalf of the SICAV, the Personal Data may be shared with the Data Controller's delegates, agents and service providers and also with the courts and with public and administrative authorities (note that these authorities, in particular tax authorities, may themselves transmit information to other authorities, in particular tax authorities). Personal Data may be transferred to affiliates and third-party entities supporting the activities of the Data Controller which include, in particular, the Administrative Agent, the Depositary, the Transfer Agent and Distributors. The Data Controller and the above recipients may also disclose Personal Data to their representatives, employees and other entities within their group and to other third parties for the purposes set out above and for internal investigations and communications.

Personal Data may be shared and transferred by the above entities both within and outside the European Economic Area (EEA). In the latter case, they will ensure that the Personal Data is protected either through an adequacy decision of the European Commission or through appropriate guarantees such as EU standard contractual clauses, binding corporate rules, an approved code of conduct, and approved mechanisms and/or certification mechanisms. Investors have the right, at their discretion, to object to the transfer of their Personal Data by the Data Controller outside the EEA. In this case, however, the Management Company, acting on behalf of the SICAV, may reject a subscription application for shares.

### 25.4 Rights of the Data Subjects

Under the Applicable Data Protection Legislation, each Data Subject has the following rights:

- **Access:** the right to obtain confirmation as to whether or not Personal Data is being processed and to be given access to the Personal Data and certain additional information such as the processing purpose or the categories of Personal Data. The Data Subjects have the right to request a copy of the Personal Data. The Data Subjects may be refused access to the Personal Data if, for example, this would involve disclosure of a third party's Personal Data or if the Data Controller is prevented from disclosing this information by law.
- **Accuracy:** the Data Controller must keep the Personal Data updated and ensure that it is accurate and complete.
- **Withdrawal:** if processing is based on consent, the Data Subjects have the right to withdraw their consent prior to processing of the Personal Data.
- **Objection:** in some cases, taking all the circumstances into account, the Data Subjects also have the right to object to processing of the Personal Data.
- **Restriction:** in some cases, taking all the circumstances into account, the Data Subjects also have the right to restrict processing of the Personal Data.
- **Erasure:** in some cases, taking all the circumstances into account, the Data Subjects also have the right to have their Personal Data erased.
- **Portability:** the right to have all or part of the Personal Data transferred to the Data Subject or to another controller in a structured, commonly used and machine-readable format.
- **Complaints:** if the Data Subjects think their rights have been breached, they have the right to lodge a complaint with the relevant data protection authority or to take legal action.



If the Data Subjects wish to submit a request to exercise one or more of their rights as listed above, they should send an e-mail to the following address: [dpo@candriam.com](mailto:dpo@candriam.com). The request should clearly indicate which right the Data Subjects wish to exercise and, if applicable, the reasons why they are exercising the right. The Data Controller will quickly acknowledge receipt of the request. If the request is valid, the Data Controller will comply with it as soon as is reasonably possible, and in any event within one month of receipt of the request. If not, the Data Controller will inform the Data Subjects of the reasons for refusing the request within one month of receipt of the request.

### **25.5 Additional information**

If the Data Subjects have any questions, requests or concerns about the processing of their personal data as described here, they can send an e-mail to this address [dpo@candriam.com](mailto:dpo@candriam.com) or a letter to the registered office of the Management Company acting on behalf of the SICAV.

This information is reviewed regularly and may be updated by the Data Controller.



## ALPHAMAX FACT SHEET

The B class will be activated following the decision of the Board of Directors of the SICAV.

This sub-fund does not have sustainable investment as its objective and does not specifically promote environmental and/or social characteristics, as described in the SFDR Regulation.

### 1. Investment policy

The sub-fund focuses on strategies such as market neutral and event driven strategies (merger arbitrage, etc.), convertible bond arbitrage, long/short equity, global macro and managed futures, and fixed-income securities arbitrage strategies.

A suitable combination of these strategies aims to offer investors an investment with a lower volatility than that of traditional markets. Controlled volatility and decorrelation from traditional markets is a fundamental objective of the Alphamax sub-fund.

Some, even all, managers of alternative funds can short purchase and/or sell securities and use leverage in order to increase yield.

Given that most managers of alternative funds use investment strategies based on dollars, Alphamax will hedge all or part of the risk linked to the USD in EUR by means of short-term currency swaps, currency spots and futures, options and any other method to hedge the sub-fund's yield so that investors should have an investment based on the EUR.

The investment decisions made for this sub-fund do not consistently include sustainability risks in the selection of assets. Nevertheless, sustainability risks may be considered on a discretionary basis when a financial instrument is selected or sold.

The sub-fund's management process is based on the selection of investment funds. These funds might not take account of the principal negative repercussions on sustainability as defined by the Asset Manager, and negative repercussions on sustainability are not taken into account in investment decisions.

For the purposes of good portfolio management, the sub-fund may also use derivative products within the limits set in the "Risk hedging and use of financial instruments" section of this Prospectus.

### 2. Benchmark indices

€STR (Euro Short Term Rate) and FED Funds.

These benchmark indices are used in order to calculate the outperformance fees of certain share classes.

The benchmarks used do not explicitly take sustainability criteria into account.

The €STR index is provided by the European Central Bank. The Fed Funds index is provided by Federal Reserve System, an entity which is covered by transitional provisions of Article 51(1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, stating that they have until 1 January 2020 to apply for authorisation or registration in accordance with Article 34 of the Regulation.



The Asset Manager has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection on request at the registered office of the Asset Manager.

### 3. Investor profile

This sub-fund is aimed at any natural or legal person who is sufficiently aware of the inherent risks in multi-strategy alternative funds of funds, who understands the type of risk entailed in the sub-fund and who accepts this on the basis of their investor profile.

### 4. Risk management

#### 4.1. Risk factors

In addition to the risk factors set out in articles 7.1 and 7.2 which describe the risk factors specific to investing in hedge funds, the sub-fund is exposed to the following risk factors, as defined in article 7.3 :

- Risk of capital loss
- Liquidity risk
- High leverage risk
- Risk associated with derivative financial instruments
- Equity risk
- Interest rate risk
- Commodities risk
- Credit risk
- Foreign exchange risk
- Model risk
- Arbitrage risk
- Sustainability risk
- Emerging countries risk
- Custody risk
- Settlement risk
- Counterparty risk
- Risk related to external factors
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

#### 4.2. Leverage

Sources of leverage				Maximum level	
Borrowing of liquidity	Securities borrowing	Derivative financial instruments	Reuse of cash collateral	Gross method	Commitment method
Yes	No	Yes	No	225%	125%

***The sub-fund might, however, in certain exceptional circumstances be exposed to higher leverage. These exceptional circumstances, as well as any necessary corrective measures would, in such cases, be explained in the SICAV's annual report.***

### 5. Currency of valuation of the sub-fund: EUR.

### 6. Form of the shares: registered shares



## 7. Share classes

- B class (capitalisation) denominated in EUR (LU0349767243)
- C class (capitalisation) denominated in EUR (LU0132841213)
- C2 class (capitalisation) denominated in EUR (LU2521064647)
- C-H class (capitalisation) denominated in USD (LU0273059542)
- I class (capitalisation) denominated in EUR (LU0132841726)
- I2 class (capitalisation) denominated in EUR (LU2521064720)
- I-H class (capitalisation) denominated in USD (LU0273059971)
- R2 class (capitalisation) denominated in EUR [LU1565455547]
- R2-H class (capitalisation) denominated in USD (LU1565456271)
- T class (capitalisation) denominated in EUR (LU2521064993)
- T2-H class (distributing) denominated in JPY (LU2665720699)
- T2 class (capitalisation) denominated in EUR (LU2521065024)
- V class (capitalisation) denominated in EUR (LU1565457089)
- V-H class (capitalisation) denominated in USD (LU2747762420)
- V2 class (capitalisation) denominated in EUR (LU2521065297)
- V2-H class (distributing) denominated in JPY (LU2649173445)
- VB class (capitalisation) denominated in EUR (LU2911144231)
- VB-H class (capitalisation) denominated in USD (LU2911144314)
- Z class (capitalisation) denominated in EUR (LU1565474506)
- Z2 class (capitalisation) denominated in EUR (LU2521065370)

## 8. Minimum initial subscription

- One share and/or EUR 1,000 or USD 1,000 for the C and C-H classes.
- One share and/or EUR 1,500 for class C2.
- Minimum EUR 250,000.- (or equivalent in USD for shares denominated in USD) for the B class.
- Minimum EUR 5,000,000.- (or equivalent in JPY for shares denominated in JPY) for the T and T2 classes.
- Minimum EUR 10,000,000.- (or equivalent in USD for shares denominated in USD) for the V and V2 classes.
- No minimum is required for the I, I2, R2, R2-H, VB, Z and Z2 classes.

## 9. Fees and charges

	Issue	Conversion	Redemption	Management	Administration	Depository
B	Max. 1%	0%	0%	Max. 1.25%	Max. 0.07%	Max. 0.03%
C and C-H	Max. 3.5%	0%	0%	Max. 1.50%	Max. 0.11%	Max. 0.04%
C2	Max. 3.5%	0%	0%	Max. 1.55%	Max. 0.11%	Max. 0.04%
I and I-H	0%	0%	0%	Max. 0.85%	Max. 0.07%	Max. 0.03%
I2	0%	0%	0%	Max. 1.15%	Max. 0.07%	Max. 0.03%
R2 and R2-H	0%	0%	0%	Max. 0.50%	Max. 0.11%	Max. 0.04%
T	0%	0%	0%	Max. 0.40%	Max. 0.07%	Max. 0.03%
T2	0%	0%	0%	Max. 0.70%	Max. 0.07%	Max. 0.03%
V	0%	0%	0%	Max. 0.30%	Max. 0.07%	Max. 0.03%
V2	0%	0%	0%	Max. 0.60%	Max. 0.07%	Max. 0.03%
VB	0%	0%	0%	Max. 0.50%	Max. 0.07%	Max. 0.03%
Z and Z2	0%	0%	0%	0%	Max. 0.07%	Max. 0.03%

*The management fee is payable at the end of each month and the administration and depository fee is payable at the end of each quarter.*





## Outperformance fees

For each share class, the asset manager may be entitled to an outperformance fee based on the outperformance of the net asset value (NAV) per share in relation to the reference indicator defined below.

Class	Cap. / Dis.	Currency	ISIN	Outperformance fee	Provisioning rate	Minimum return rate	High-Water Mark (HWM)
<b>C</b>	Cap.	EUR	LU0132841213	<b>Yes</b>	15%	Capitalised €STR	Yes
<b>C-H</b>	Cap.	USD	LU0273059542	<b>Yes</b>	15%	FED funds	Yes
<b>I</b>	Cap.	EUR	LU0132841726	<b>Yes</b>	15%	Capitalised €STR	Yes
<b>I-H</b>	Cap.	USD	LU0273059971	<b>Yes</b>	15%	FED funds	Yes
<b>R2</b>	Cap.	EUR	LU1565455547	<b>Yes</b>	15%	Capitalised €STR	Yes
<b>R2-H</b>	Cap.	USD	LU1565456271	<b>Yes</b>	15%	FED funds	Yes
<b>T</b>	Cap.	EUR	LU2521064993	<b>Yes</b>	15%	Capitalised €STR	Yes
<b>V</b>	Cap.	EUR	LU1565457089	<b>Yes</b>	15%	Capitalised €STR	Yes
<b>V-H</b>	Cap.	USD	LU2747762420	<b>Yes</b>	15%	FED funds	Yes
<b>VB</b>	<b>Cap.</b>	<b>EUR</b>	<b>LU2911144231</b>	<b>Yes</b>	<b>15%</b>	Capitalised €STR	<b>Yes</b>
<b>VB-H</b>	<b>Cap.</b>	<b>USD</b>	<b>LU2911144314</b>	<b>Yes</b>	<b>15%</b>	<b>FED Funds</b>	<b>Yes</b>
<b>Z</b>	Cap.	EUR	LU1565474506	<b>Yes</b>	15%	Capitalised €STR	Yes

### Reference indicator

The reference indicator is made up of the two following elements:

- A high water mark (HWM) corresponding to a first reference asset based on the highest NAV achieved at the end of a financial year from 30/09/2021.

The initial HWM corresponds to the NAV of 30/09/2021. If a new share class is activated subsequently or a pre-existing share class is reactivated, the initial NAV of this new class at (re)launch will be used as the initial HWM.

- A hurdle corresponding to a second reference asset based on a theoretical investment of assets at the minimum rate of return which increases the subscription totals and proportionally reduces the redemption totals. If this minimum rate of return is negative, the rate of 0% is used to determine the hurdle rate.

Using a HWM guarantees that investors will not be billed for an outperformance fee while the NAV remains below the highest NAV achieved at the end of a financial year from 30/09/2021.

This variable remuneration aligns the interests of the asset manager with those of the investors and is a link with the sub-fund's risk/return ratio.

### Method for calculating the outperformance fee

As the NAV is different for each class of shares, the outperformance fees are calculated independently for each share class, producing fees of different amounts.

The outperformance fee is calculated with the same frequency as the NAV calculation.

The outperformance fee is included in the NAV calculation.



If the NAV upon which fee calculation is based, in other words the NAV after the outperformance fee on redemptions but excluding the outperformance fee on shares still in circulation, is greater than the two components of the reference indicator (HWM and hurdle), this constitutes an outperformance.

The smaller of these two outperformances is the basis of calculation for the provision for an outperformance fee in line with the provisioning rate of this outperformance as set out in the table in the following table below (the "Provisioning rate").

In the event of underperformance in relation to one of the two components of the reference indicator, the outperformance fee is reversed in line with the provisioning rate of this underperformance. Nevertheless, the accounting provision for the outperformance fee will never be negative.

In the case of share classes with distribution rights, any distributions of dividends will have no effect on the outperformance fee of the share class.

For each share class denominated in the currency of the sub-fund, outperformance fees are calculated in this currency, whereas for share classes denominated in another currency, whether or not they are currency hedged, the outperformance fees will be calculated in the currency of the share class.

#### Reference period

The reference period corresponds to the full term of the sub-fund or share class.

In general, the outperformance fee is determined for each 12 month period corresponding to the financial year.

#### Crystallisation

Any positive outperformance fee is crystallised, in other word becomes payable to the Management Company:

- At the end of each financial year. However, in the case of activation or reactivation of a class, the first crystallisation of outperformance fees for this share class cannot take place (apart from redemptions) until the end of the financial year following the financial year during which the class was (re)activated;
- At the time of each redemption identified on each NAV calculation, in proportion to the number of shares redeemed. In this case, the outperformance fee provision will be reduced by the amount crystallised in this way;
- If applicable, on the closing date of a share class during a financial year.

In addition, and in accordance with the rules, an outperformance fee may be crystallised:

- In the event of merger/liquidation of the sub-fund/share classes during a financial year;
- If the outperformance mechanism changes.

#### Clawback of negative performances

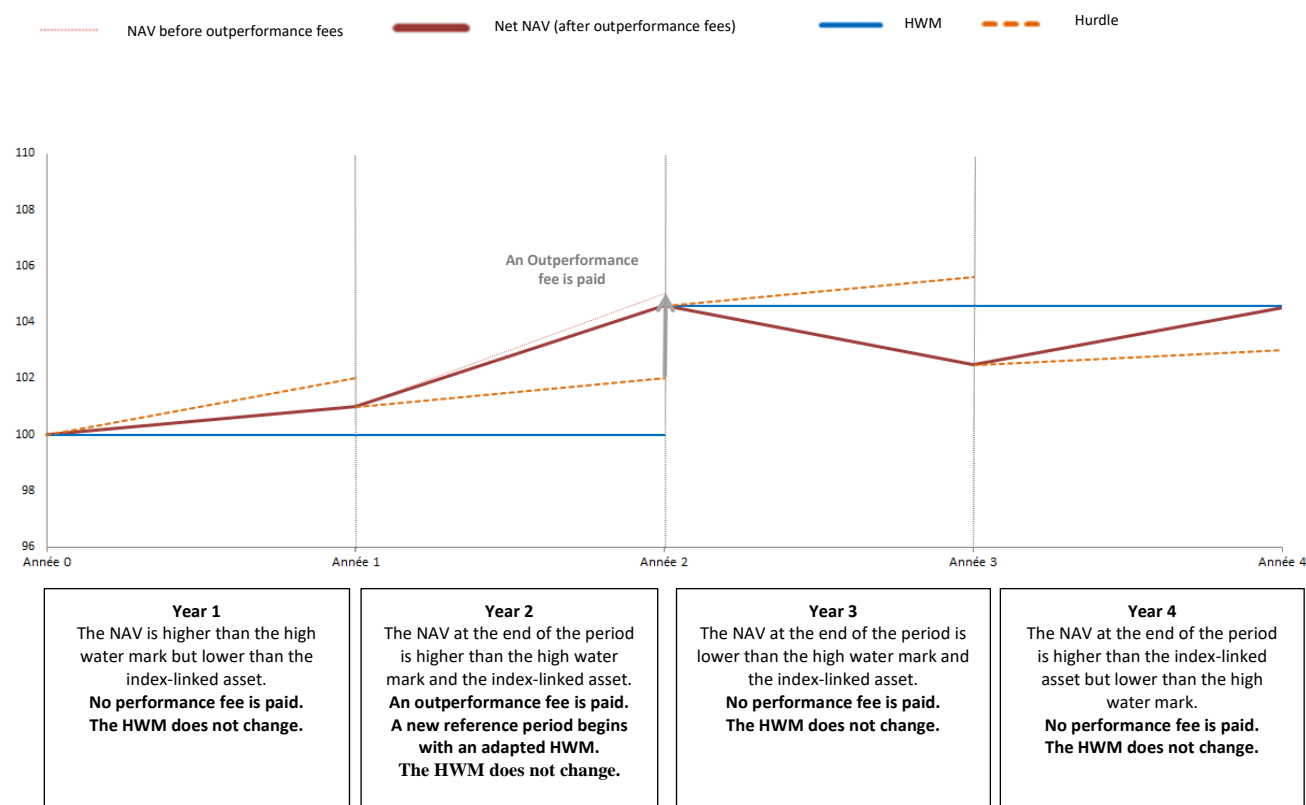
In the event of negative performance recorded during a financial year, the underperformance will be carried over to the following financial year. The HWM will in this case remain identical to that of the previous financial year.



As for the hurdle, it is reinitialised at the start of each financial year regardless of whether an outperformance fee has been crystallised or not.

### Examples illustrating the outperformance fee model applied.

#### Model with High Water Mark (HWM)



	Year 0	Year 1	Year 2	Year 3	Year 4
NAV – Start of period	0	100	101	105	102.5
Return of the share class (after annual management expenses and other operational and administrative expenses)		1%	4%	-2%	2%
NAV – End of period (before outperformance fees)	100	101	105	102.5	104.5
Hurdle – Start of period		100	101	104.6	102.5
Theoretical return on the investment at the minimum return rate (or 0% if negative ESTER)		2%	1%	1%	0.5%
Hurdle – End of period	100	102	102	105.6	103.0
Share class outperformance		0	3.0	0.0	1.5
HWM – Start of period		100	100	104.6	104.6
Outperformance fee due		NO	YES	NO	NO
Outperformance fee (15%)		0	0.5	0.0	0.0
Net NAV – End of period (after outperformance fees)	100	101	104.6	102.5	104.5
HWM – End of period	100	100	104.6	104.6	104.6



The performance graphics and performance fee tables presented in this document are simulations and/or are based solely on assumptions. They cannot be considered to be reliable indicators of future performance. They are in no way a guarantee that the fund/the share class will achieve or will be likely to achieve performances or receive performance fee amounts similar to those presented.

- 10. Frequency of the net asset value calculation:** The net asset value is monthly, dated the last Bank Business Day of each month ("NAV Date"). It is calculated on the tenth Bank Business Day after the NAV Date (Valuation Date).

**11. Subscription, redemption and conversion arrangements**

	<b>Subscriptions</b>	<b>Redemptions</b>	<b>Conversions</b>
<b>Cut-off</b>	D-5 at 3:00 p.m. (Luxembourg time)	D-45 <sup>(*)</sup> at 3:00 p.m. (Luxembourg time)	D-15 at 3:00 p.m. (Luxembourg time)
<b>NAV date</b>	D	D	D
<b>Valuation date</b>	D+10	D+10	D+10
<b>Payment date</b>	D-3	D+20 <sup>(*)</sup>	

(\*) expressed in calendar days

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This Fact Sheet is an integral part of the prospectus dated 2 December 2024.

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