

## **Qualion Finance Investment SICAV**

Société d'Investissement à Capital Variable  
Luxembourg

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Sub-Fund "**Allroad Conservative**"

Sub-Fund "**Allroad Bond**"

Sub-Fund "**Allroad Equity**"

Sub-Fund "**Allroad Balanced**"

Sub-Fund "**Allroad Responsible Investment**"

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## INTRODUCTION

**Qualion Finance Investment SICAV** (the "Fund", the "SICAV or the "Company") is an open-ended investment company organized under the laws of the Grand Duchy of Luxembourg as a "Société d'Investissement à Capital Variable".

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

The distribution of the Prospectus is not authorised unless it is accompanied by the most recent annual and semi-annual reports of the Fund, if any. Such report or reports are deemed to be an integral part of the Prospectus.

The Shares to be issued hereunder may be of several different classes which relate to several separate Sub-Funds of the Fund. For each Sub-Fund, the board of directors of the Fund (the "Board of Directors") may decide at any time to issue different classes of Shares (individually a "Class", collectively the "Classes") whose assets will be invested jointly according to the Sub-Fund's specific investment policy, but with specific features applicable to each class of Shares. Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the net asset value (the "Net Asset Value") per Share of the relevant Class or Sub-Fund, as defined in the Articles of Incorporation of the Fund (the "Articles").

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

The Fund has currently the following Sub-Funds:

- Qualion Finance Investment SICAV - Allroad Conservative ("Allroad Conservative")
- Qualion Finance Investment SICAV - Allroad Bond ("Allroad Bond")
- Qualion Finance Investment SICAV - Allroad Equity ("Allroad Equity")
- Qualion Finance Investment SICAV - Allroad Balanced ("Allroad Balanced")
- Qualion Finance Investment SICAV - Allroad Responsible Investment ("Allroad Responsible Investment")

The Board of Directors may, at any time, create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds, the Prospectus will be updated accordingly. The same applies in case of creation of classes of Shares.

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

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

**Luxembourg** - The Fund is registered pursuant to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the "Law of 2010"). However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

**European Union ("EU")** - The Fund is an Undertaking for Collective Investment in Transferable Securities ("UCITS") for the purposes of the European Directive 2009/65/EC ("UCITS Directive") and the Board of Directors of the Fund proposes to market the Shares in accordance with the UCITS Directive in certain Member States of the EU.

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

The Shares are not being offered in the USA and may be so offered only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "1940 Act"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Shares may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the laws of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "U.S. Person"). All purchasers must

certify that the beneficial owner of such Shares is not a U.S. Person and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

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

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

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

All references in the Prospectus to “EUR” are to the legal currency of the European Union Member States participating to the Economic Monetary Union.

All references in the Prospectus to “Business Day” refer to any full day on which banks are open for business in Luxembourg City.

Shares of the various Sub-Funds must be subscribed solely on the basis of the information contained in the Prospectus and the Key Information Document (“KID”). The KID is a pre-contractual document that contains key information for investors. It includes appropriate information about the essential characteristics of each Class of a particular Sub-Fund.

If you are considering subscribing for Shares, you should first read the KID carefully together with the Prospectus and its appendices if any, which include in particular information on the various Sub-Funds’ investment policies, and you should also consult the Fund’s last published annual and semi-annual reports, copies of which are available from the following internet site <https://www.dpas.lu/>, from local agents, if any, or from the entities marketing the Shares and may be obtained upon request, free of charge, at the Fund’s registered office.

### **Data protection**

The Fund and Degroof Petercam Asset Services S.A. (the “Controllers”) jointly process information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the “Data

Subjects". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controllers directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

Detailed information regarding the processing of Data by the Controllers is contained in the Personal Data Protection Charter (the "Privacy Charter"). Investors and any persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers or their service providers in relation to the Fund are invited to take the time to carefully consider and read the Privacy Charter.

The Privacy Charter is available and can be accessed or obtained online (<http://dpas.lu>).

The Privacy Charter notably sets out and describes in more detail:

- the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling (if any);
- that Data will be disclosed to several categories of recipients; that certain of these recipients (the "Processors") are processing the Data on behalf of the Controllers; that the Processors include most of the service providers of the Controllers; and that the Processors will act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controllers and the Processors for several purposes (the "Purposes") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Fund, (ii) enabling the Controllers and the Processors to perform their services for the Fund, and (iii) enabling the Controllers and the Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controllers and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;

- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Fund;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controllers in general may be addressed to [dataprivacy\\_dpas@degroopfetercam.lu](mailto:dataprivacy_dpas@degroopfetercam.lu) or to Degroof Petercam Asset Services S.A., Rue Eugène Ruppert 12, L-2453 Luxembourg for the attention of the Data Privacy Officer.

## DIRECTORY

Board of Directors:

*Chairman*

Mr. Jürgen Willems, Managing Director,  
Qualion Finance

*Directors*

Mr. Ronny Gyselinck, Managing Director,  
Qualion Finance

Mr. Philippe FELLER, Director, Qualion Finance

Registered Office:

12, rue Eugène Ruppert, L-2453 Luxembourg

Depository and Paying Agent:

Banque Degroof Petercam Luxembourg S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Domiciliary and Corporate Agent,  
Administrative Agent, Registrar Agent:

Degroof Petercam Asset Services S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Auditors:

KPMG Audit S.à.r.l.  
39, Avenue J-F Kennedy, L-1855 Luxembourg

Management Company:

Degroof Petercam Asset Services S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Investment Manager:

Qualion Finance  
659, rue de Neudorf, L-2220 Luxembourg

## CONTENTS

INTRODUCTION .....	2
DIRECTORY.....	7
PART A: FUND INFORMATION .....	12
A.    INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES AND INVESTMENT RESTRICTIONS....	12
I.    INVESTMENT OBJECTIVES AND POLICIES .....	12
II.   INVESTMENT RESTRICTIONS .....	12
III.  TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS.....	21
B.    MANAGEMENT COMPANY .....	21
C.    THE SHARES .....	22
D.    PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION.....	23
1.    Subscription of Shares .....	23
2.    Money Laundering Prevention .....	24
3.    Conversion of Shares .....	25
4.    Redemption of Shares .....	26
5.    Protection against Late Trading and Market Timing practices.....	28
E.    DETERMINATION OF THE NET ASSET VALUE.....	29
1.    Calculation and Publication .....	29
2.    Temporary Suspension of the Calculation of the Net Asset Value, of the issue, redemption and conversion of Shares .....	31
F.    DISTRIBUTION POLICY .....	32
G.    CHARGES AND EXPENSES .....	32
1.    General .....	32
2.    Fees of the Management Company .....	33
3.    Fees of the Depositary.....	33
4.    Fees of the Domiciliary and Corporate Agent .....	34
5.    Fees of the Administrative Agent, Transfer and Registrar Agent.....	34
H.    DEPOSITARY.....	35
I.    DOMICILIARY AND CORPORATE AGENT, ADMINISTRATIVE AGENT, PAYING AGENT, REGISTRAR AGENT .....	37
J.    INVESTMENT MANAGER AND INVESTMENT ADVISER .....	37
K.    DISTRIBUTORS .....	37
L.    TAXATION .....	38
1.    Taxation of the Fund in Luxembourg .....	38
2.    Automatic Exchange of Information .....	39
3.    Foreign Account Tax Compliance Act (« FATCA »).....	40
4.    Directive 2018/822/EU - "DAC 6" .....	41
5.    General .....	42
M.    GENERAL INFORMATION.....	42
1.    Corporate Information .....	42
2.    Meetings of, and Reports to, shareholders.....	43
3.    Dissolution and Liquidation of the Fund .....	44
4.    Dissolution and Merger of Sub-Funds .....	45
N.    SPECIFIC RISK FACTORS .....	45
1.    Equity risk .....	46
2.    Credit risk.....	46
3.    Interest rate risk .....	46



4.	Liquidity Risk.....	47
5.	Inflation Risk.....	47
6.	Taxation Risk.....	47
7.	Counterparty Risk.....	47
8.	Operational & Custody Risk.....	47
9.	Currency risk.....	47
10.	Emerging & New Frontiers Markets Risk.....	48
11.	Low Interest Rate Consequence.....	48
12.	Small Cap, Specialised or Restricted Sectors Risk.....	48
13.	Derivatives Risk.....	48
14.	Risk related to investments in other UCITS and UCIs.....	49
15.	Risk linked to Structured Debts:.....	49
16.	Mortgage and Other Asset Back Securities (MBS / ABS).....	49
17.	Structured Notes Risk.....	50
18.	Concentration risk.....	50
19.	Risk related to investments in convertible bonds.....	50
20.	Russian and Eastern European market risks.....	51
21.	Warrant Risk.....	52
22.	Credit Default Swaps (“CDS”) Risk.....	52
23.	Specific information relating to regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related financial disclosure in the financial sector.....	54
PART B: SPECIFIC INFORMATION .....		57
I. SUB-FUND “ALLROAD CONSERVATIVE” .....		58
1.	Name .....	58
2.	Specific Investment Policy and Investment Restrictions.....	58
3.	Risk Profile .....	60
4.	Distribution Policy .....	61
5.	Form of Shares.....	61
6.	ISIN code.....	61
7.	Minimum Investment.....	61
8.	Subscriptions and Subscription Fee.....	61
9.	Redemptions .....	62
10.	Reference Currency .....	62
11.	Frequency of the Net Asset Value (NAV) calculation and Valuation Day.....	62
12.	Management Company Fees.....	63
13.	Investment Manager .....	63
14.	Investment Management Fees.....	63
15.	Listing on the Luxembourg Stock Exchange .....	63
16.	Publication of the NAV .....	63
17.	Taxation .....	64
II. SUB-FUND “ALLROAD BOND” .....		65
1.	Name .....	65
2.	Specific Investment Policy and Investment Restrictions.....	65
3.	Risk Profile .....	68
4.	Distribution Policy .....	69
5.	Form and Classes of Shares .....	69
6.	ISIN codes .....	69

7.	Minimum Investment and Holding.....	70
8.	Subscriptions and Subscription Fee.....	70
9.	Redemptions and Redemption Fee.....	70
10.	Reference Currency.....	70
11.	Frequency of the Net Asset Value (NAV) calculation and Valuation Day.....	70
12.	Management Company Fees.....	71
13.	Investment Manager.....	71
14.	Investment Management Fees.....	71
15.	Listing on the Luxembourg Stock Exchange.....	71
16.	Publication of the NAV.....	72
17.	Taxation.....	72
III.	SUB-FUND “ALLROAD EQUITY”.....	73
1.	Name.....	73
2.	Specific Investment Policy and Investment Restrictions.....	73
3.	Risk Profile.....	75
4.	Distribution Policy.....	75
5.	Form and Classes of Shares.....	75
6.	ISIN codes.....	75
7.	Minimum Investment and Holding.....	76
8.	Subscriptions and Subscription Fee.....	76
9.	Redemptions and Redemption Fee.....	76
10.	Reference Currency.....	77
11.	Frequency of the Net Asset Value (NAV) calculation and Valuation Day.....	77
12.	Management Company Fees.....	77
13.	Investment Manager.....	77
14.	Investment Management Fees.....	77
15.	Listing on the Luxembourg Stock Exchange.....	78
16.	Publication of the NAV.....	78
17.	Taxation.....	78
IV.	SUB-FUND “ALLROAD BALANCED”.....	79
1.	Name.....	79
2.	Specific Investment Policy and Investment Restrictions Investment Policy.....	79
3.	Investment Restrictions.....	81
4.	Risk Profile.....	81
5.	Distribution Policy.....	82
6.	Form of Shares.....	82
7.	ISIN code.....	82
8.	Minimum Investment.....	82
9.	Subscriptions and Subscription Fee.....	82
10.	Redemptions.....	82
11.	Reference Currency.....	83
12.	Frequency of the Net Asset Value (NAV) calculation and Valuation Day.....	83
13.	Management Company Fees.....	83
14.	Investment Manager.....	83
15.	Investment Management Fees.....	84
16.	Listing on the Luxembourg Stock Exchange.....	84
17.	Publication of the NAV.....	84
18.	Taxation.....	84

V. SUB-FUND “ALLROAD RESPONSIBLE INVESTMENT” .....	85
1. Name .....	85
2. Specific Investment Policy and Investment Restrictions Investment Policy .....	85
3. Investment Restrictions .....	86
4. Risk Profile .....	86
5. Distribution Policy .....	87
6. Form of Shares.....	87
7. Share classes and ISIN code.....	87
8. Minimum Investment .....	87
9. Subscriptions and Subscription Fee.....	87
10. Redemptions .....	88
11. Reference Currency .....	88
12. Frequency of the Net Asset Value (NAV) calculation and Valuation Day.....	88
13. Fees of the Management Company .....	89
14. Investment Manager .....	89
15. Investment Management Fees.....	89
16. Listing on the Luxembourg Stock Exchange .....	89
17. Publication of the NAV .....	89
18. Taxation .....	90
DOCUMENTS AVAILABLE .....	91
INFORMATION RELATING TO THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE ALLROAD RESPONSIBLE INVESTMENT SUB-FUND.....	92

## **PART A: FUND INFORMATION**

### **A. INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES AND INVESTMENT RESTRICTIONS**

#### **I. INVESTMENT OBJECTIVES AND POLICIES**

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of their shareholders within the limits set forth under chapter II "Investment Restrictions" here below. In order to achieve the investment objective, the assets of the Fund will be invested in transferable securities or other eligible assets permitted by law.

Each Sub-Fund may (a) use derivative instruments for investment, hedging and efficient portfolio management purposes, and (b) exploit the techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management, under the conditions and within the limits laid down by law, regulation and administrative practice, as well as under chapters II "Investment Restrictions" and III "Techniques and instruments relating to transferable securities and money market instruments" here below.

Each Sub-Fund shall ensure that its global exposure relating to financial derivative instruments does not exceed the total net value of its portfolio. Global exposure is a measure designed to limit the leverage generated by each Sub-Fund through the use of financial derivative instruments. In order to calculate global exposure, each Sub-Fund will use the commitment approach, thereby aggregating the market value of the equivalent position of underlying assets.

When using the commitment approach the maximum leverage generated by the use of financial derivative instruments will be of 100%.

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

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

#### **II. INVESTMENT RESTRICTIONS**

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments of each Sub-Fund, the reference currency of each Sub-Fund and the course of conduct of the management and business affairs of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund in Part B of the Prospectus, the investment policy shall comply with the rules and restrictions laid down hereafter.

For best understanding, the following concepts are defined hereafter:

<b>Business Day</b>	Any full day on which banks are open for business in Luxembourg City.
<b>Group of Companies</b>	Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognized international accounting rules
<b>Member State</b>	A member state of the European Union
<b>Money Market Instruments</b>	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time
<b>Other Regulated Market</b>	Market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public
<b>Other State</b>	Any State of Europe which is not a Member State, and any State of America, Africa, Asia, Australia and Oceania
<b>Reference Currency</b>	Currency denomination of the relevant Class or Sub-Fund

**Regulated Market**

A regulated market as defined in the Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments ("Directive 2004/39/EC"), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC

**Regulatory Authority**

The *Commission de Surveillance du Secteur Financier* or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg

**Transferable Securities**

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

**UCI**

Undertaking for collective investment.

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

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

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

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

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

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

(5) units of UCITS authorized according to Directive 2009/65/EC and/or other UCIs within the meaning of points a) and b) of Article 1 paragraph (2) of Directive 2009/65/EC, whether situated in a Member State or in an Other State, provided that:

- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured; UCIs that have been authorized under the laws of any Member State of the European Union, of any Member State of the Organization for Economic Cooperation and Development or under the laws of Hong Kong, Guernsey, Jersey, the Isle of Man, Liechtenstein and Singapore are deemed to be subject to equivalent supervision. Such list is however subject to change from time to time.
- the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC;
- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, in aggregate be invested in units of other UCITS or other UCIs;

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

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

- (i) - the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives;
- the counterparties to OTC derivative transactions are credit institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

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

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

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million EUR (10,000,000 EUR) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

**B. Each Sub-Fund may however:**

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

(2) Hold cash and cash equivalents on an ancillary basis, i.e. up to 20% of each Sub-Fund's net assets. Ancillary liquid assets will be aggregated to time deposits shall the latest and the cash be deposited with the same counterparty.

(3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

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



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

**(a) Risk Diversification rules**

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

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

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

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

- (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of one single issuer; or
- (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

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

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

(4) The limit of 10% set forth above under (1)(i) may be increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

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

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

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

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

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

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

- ***Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in A (6) above or 5% of its net assets in other cases.

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

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (7) (ii) and (D) (1) above as well as with the risk exposure and information requirements laid down in the Prospectus.

- ***Units of Open-Ended Funds***

(12) No Sub-Fund may invest more than 20% of its assets in the units of a single UCITS or other UCI.

For the purpose of the application of this limit, each compartment of a UCITS or of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of the relevant Sub-Fund.

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

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in Part B of the Prospectus the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

- ***Combined limits***

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

- investments in Transferable Securities or Money Market Instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with

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

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

**(b) Limitations on Control**

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

(16) The Fund may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10%

of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCI.

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

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

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16); and
- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

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

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

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

(2) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

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

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

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

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

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

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

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

**F. Notwithstanding anything to the contrary herein contained:**

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

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

While ensuring observance of the principle of risk spreading, the Fund may derogate to the limits set forth above for a period of 6 months following the date of its authorization.

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

**III. TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS**

The Fund does not employ any of the techniques and instruments available in the context of securities investments for the purpose of efficient asset management such as securities lending and borrowing, repurchase agreements, reverse repurchase agreements and “réméré” transactions.

**B. MANAGEMENT COMPANY**

The Fund is managed by the Board of Directors which has the overall responsibility for the management and administration of the Fund, its Sub-Funds and Classes, for authorizing the establishment of Sub-Funds and Classes, and for setting and monitoring their investment policies and restrictions.

For the implementation of the investment policy of each Sub-Fund and the management of their assets, the administration and the marketing of the Fund, the Board of Directors has appointed a management company established under the Chapter 15 of the Law of 2010, DEGROOF PETERCAM ASSET SERVICES S.A. (the “Management Company”). For this purpose, the Fund and the Management Company have entered into a Collective Portfolio Management Agreement which is dated 27 April 2010.

The Management Company is a company incorporated in Luxembourg as a société anonyme on 20 December 2004. Its registered office is at 12, rue Eugène Ruppert, L-2453 Luxembourg. The main purpose of the Management Company is the management of UCITS and other UCIs including the investment management, the administration and the marketing of UCITS and other UCIs.

For the purpose of a more efficient conduct of its duties, the Management Company may delegate to third parties, on its behalf and under its responsibility, the power to carry out one or more of its functions. If one or more of the Management Company’s functions are so delegated, it will be specified in Part B of the Prospectus.

Its Management Board is composed as follows:

- Mrs Sylvie Huret;
- Mrs Sandra Reiser; and
- Mr Frank Van Eylen.

Its Supervisory Board is composed as follows:

- Mr Frédéric Wagner;
- Mrs Annemarie Arens;
- Mr Peter de Coensel;
- Mr Gautier Bataille; and
- Mr Olivier Carcy.

## **C. THE SHARES**

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

The Fund may issue Shares of different Classes reflecting the various Sub-Funds which the Board of Directors may decide to open. Within a Sub-Fund, classes of Shares may be defined from time to time by the Board of Directors so as to correspond to (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions, and/or (ii) a specific sales and redemption charge structure, and/or (iii) a specific management or advisory fee structure, and/or

(iv) a specific distribution fee structure, and/or (v) specific types of investors entitled to subscribe the relevant classes of Shares, and/or (vi) a specific currency, and/or (vii) any other specific features applicable to one Class.

The availability of such classes of Shares in each Sub-Fund shall be disclosed in Part B of the Prospectus for each Sub-Fund individually.

Shares in any Sub-Fund may be issued on a registered or bearer dematerialized basis at the request of the shareholders, provided however that the Board of Directors may decide in relation to one or several Sub-Fund(s) to issue only registered Shares. This will be indicated in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

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

Unless a Share certificate is requested, a holder of registered Shares shall receive a written confirmation of his or her shareholding.

A holder of bearer dematerialized Shares will have its Shares deposited on a securities account in the name of its beneficiary.

A holder of bearer dematerialized Shares requesting the exchange of his or her Shares for registered Shares or a holder of registered Shares requesting the exchange of his or her registered Shares for bearer dematerialized Shares shall bear the costs for such exchange.

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

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

If the Shares of a Sub-Fund are listed on the Luxembourg Stock Exchange, it will be specified in Part B of the Prospectus.

#### **D. PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION**

##### **1. Subscription of Shares**

After the Initial Subscription Period of a class of Shares, if any, of a Sub-Fund (as defined in Part B of the Prospectus), the subscription price per Share in the relevant class of Shares or Sub-Fund (the "Subscription Price") is the total of the Net Asset Value per Share and the sales charge as stated in Part B of the Prospectus. The Subscription Price is available for inspection at the registered office of the Fund.

Subscriptions in any class of Shares or in any Sub-Fund may be subject to a minimum investment amount and/or a minimum holding requirement as stated in Part B of the Prospectus, as the case may be.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in this Part A in the section "Determination of the Net Asset Value" sub 1) "Calculation and Publication") following receipt of the subscription form provided that such application is received by the Fund within the relevant time limit as stated in Part B of the Prospectus. Applications received by the Fund after the relevant time limit will be dealt with on the following Valuation Day.

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

Payments for Shares will be made in the Reference Currency of the relevant class of Shares or Sub-Fund.

Payments for subscriptions must be made within the time limits set out for each Sub-Fund in Part B of the Prospectus.

The Fund may agree to issue Shares as consideration for a contribution in kind of securities or other permitted assets, in compliance with the conditions set forth by Luxembourg law, in particular the obligation for the Auditors of the Fund to deliver a valuation report and provided that such securities comply with the investment policy and restrictions of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders.

The Fund reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant as soon as practicable or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Sub-Funds.

Certificates or written confirmations of shareholding (as appropriate) will be sent to shareholders.

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

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

## **2. Money Laundering Prevention**

In order to contribute to the fight against money laundering and terrorist financing, the Fund will at all times comply with any obligations imposed by any applicable laws, rules, regulations and circulars with respect to the prevention of money laundering and terrorist financing obliging



investors to prove their identity to the Fund. Subscriptions will be considered valid and acceptable by the Fund only if the subscription form is sent together with:

- in the case of natural persons, a copy of an identification document (passport or identity card), or
- in the case of corporate entities, a copy of the corporate documents (articles of incorporation and a recent extract from the trade register, authorized signatures list, list of shareholders holding directly or indirectly more than 25% of the share capital or the voting rights of the investor, directors' list, ...) and a copy of the identification documents (passport or identity card) of the beneficiaries and of the persons authorized to give instructions to the Registrar Agent.

Such documents must be duly certified by a public authority (public notary, police, consulate, embassy) of the country of residence.

Such obligation is absolute, unless

- the subscription form is sent (i) by a financial intermediary residing in any of the Member States of the European Union, the European Economic Area or any other country which impose equivalent requirements to those laid down by the Law of 12 November 2004 on the fight against money laundering and terrorist financing as amended, or (ii) by a branch or a subsidiary of financial intermediaries located in another country, if the parent company of this branch or subsidiary is located in any of these countries and if both the legislation of these countries and the parent company internal rules impose the application of rules relating to anti-money laundering and terrorist financing to this branch or subsidiary;

- the subscription form is sent directly to the Fund and the subscription is paid by :

- a wire transfer from a financial intermediary residing in any of these countries,

- a cheque drawn on the subscriber's personal account in a bank residing in one of these countries or a bank cheque issued by a bank residing in one of these countries.

However, the Board of Directors must obtain from its distributors, financial intermediaries or directly from the subscriber, at first demand, a copy of the identification documents as indicated above.

Before accepting a subscription, the Fund may undertake additional investigations in accordance with national and international rules in force concerning anti-money laundering and terrorist financing.

### **3. Conversion of Shares**

Shareholders have the right, subject to the provisions hereinafter specified, to convert Shares from one Sub-Fund for Shares of another Sub-Fund and to convert Shares of a given class of Shares to Shares of the same class of Shares of another Sub-Fund (if applicable). The Board of Directors may refuse to accept a conversion application if it is detrimental to the interests of the Fund, the Sub-Funds and the classes of Shares concerned or the relevant shareholders.

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

Conversions of Shares in any class of Shares or Sub-Fund may be subject to a fee based on the respective Net Asset Value of the relevant Shares as stated in Part B of the Prospectus, as the case may be. However, this amount may be increased if the subscription fee applied to the original class of Shares or Sub-Fund was less than the subscription fee applied to the class of Shares or Sub-Fund in which the Shares will be converted. In such cases, the conversion fee may not exceed the amount of the difference between the subscription rate applied to the class of Shares or Sub-Fund in which the Shares will be converted and the subscription rate applied to the initial subscription. This amount will be payable to the sales agents.

Shares may be tendered for conversion on any Valuation Day.

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

No conversion of Shares will be effected until a duly completed request for conversion of Shares has been received at the registered office of the Fund from the shareholder.

Fractions of registered Shares will be issued on conversion to one thousandth of a Share.

Certificates or written confirmations of shareholding (as appropriate) will be sent to shareholders together with the balance resulting from such conversion, if any.

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

If, as a result of any request for conversion, the investment held by any shareholder in a class of Shares or Sub-Fund would fall below the minimum amount, if any, indicated in Part B of the Prospectus in the section "Minimum Investment" under the specific information for each Sub-Fund, the Fund may treat such request as a request to convert the entire shareholding of such shareholder.

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

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

#### **4. Redemption of Shares**

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

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

Redemption requests should contain the following information (if applicable): the identity and address of the shareholder requesting the redemption, the number of Shares to be redeemed, the relevant class of Shares or Sub-Fund, whether the Shares are issued with or without a Share certificate, the name in which such Shares are registered and details as to whom payment should be made. Share certificates in proper form (if any) and all necessary documents to complete the redemption should be enclosed with such request.

Shareholders have to take due care and bear responsibility that the certificates of the Shares to be redeemed are received in proper form at the registered office of the Fund.

Shareholders whose requests for redemption are accepted will have their Shares redeemed on any Valuation Day provided that the requests have been received by the Fund within the relevant time limit as stated in Part B of the Prospectus. Requests received by the Fund after the relevant time limit will be dealt with on the following Valuation Day.

Shares will be redeemed at a price based on the Net Asset Value per Share in the relevant class of Shares or Sub-Fund determined on the first Valuation Day following receipt of the redemption request, potentially decreased by a redemption fee, as stated in Part B of the Prospectus, as the case may be.

The redemption price shall be paid within the time limits set out for each Sub-Fund in Part B of the Prospectus.

Payment will be made by transfer bank order to an account indicated by the shareholder, at such shareholder's expense and risk.

Payment of the redemption price will be made in the Reference Currency of the relevant class of Shares or Sub-Fund.

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

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

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

If as a result of any request for redemption, the investment held by any shareholder in a class of Shares or Sub-Fund would fall below the minimum amount indicated in Part B of the Prospectus,

if any, the Fund may treat such request as a request to redeem the entire shareholding of such shareholder in such class of Shares or Sub-Fund.

Furthermore, if on any Valuation Day redemption requests pursuant to Article 8 and conversion requests pursuant to Article 9 of the Articles relate to more than 10 percent of the net assets of a specific Sub-Fund, the Board of Directors may decide that all or part, on a pro rata basis for each shareholder asking for the redemption or conversion of its Shares, of such requests for redemption or conversion will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Sub-Fund. On the Valuation Days during such period, these redemption and conversion requests will be met in priority to later requests.

Under special circumstances including, but not limited to, default or delay in payments due to the relevant Sub-Fund from banks or other entities, the Fund may, in turn, delay all or part of the payment to shareholders requesting redemption of Shares in the Sub-Fund concerned. The right to obtain redemption is contingent upon the Sub-Fund having sufficient liquid assets to honour redemptions.

The Fund may also defer payment of the redemption of a Sub-Fund's Shares if raising the funds to pay such a redemption would, in the opinion of the Board of Directors, be unduly burdensome to such Sub-Fund. The payment may be deferred until the special circumstances have ceased; redemption could be based on the then prevailing Net Asset Value per Share.

If the value of the net assets of any Sub-Fund on a given Valuation Day has decreased to an amount of EUR 2,500,000.- or the equivalent in any other Reference Currency, or in case of a significant change of the economical or political situation or in order to proceed to an economical rationalization, the Board of Directors may, at its discretion, elect to redeem all, but not less than all, of the Shares of such Sub-Fund then outstanding at the Net Asset Value per Share in such Sub-Fund (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall provide at least 30 days' prior written notice of redemption to all holders of the Shares to be so redeemed. Redemption proceeds corresponding to Shares not surrendered at the date of the compulsory redemption of the relevant Shares by the Fund may be kept with the Depositary (as defined hereinafter) during a period not exceeding six months as from the date of such compulsory redemption; after this delay, these proceeds shall be kept in safe custody at the *Caisse de Consignation*. In addition, and under the same circumstances as provided above, the Board of Directors may decide the merger of one Sub-Fund with one or several other Sub-Funds of the Fund in the manner described in this Part A in the section "General Information" sub 4) "Dissolution and Merger of Sub-Funds".

The Articles contain at Article 10 provisions enabling the Fund to compulsorily redeem Shares held by U.S. persons.

## **5. Protection against Late Trading and Market Timing practices**

The Fund respectively the Central Administration ensures that the practices of Late Trading and Market Timing will be eliminated in relation to the distribution of Shares of the Fund. The cut-off times mentioned under the sections "Subscriptions and Subscription Fee", "Redemptions" and "Conversions" set out for each Sub-Fund in Part B of the Prospectus will be observed rigidly. The

investors do not know the Net Asset Value per Share at the time of their request for subscription, redemption or conversion.

## **E. DETERMINATION OF THE NET ASSET VALUE**

### **1. Calculation and Publication**

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

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

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

- (a) The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- (b) The value of any security or other asset which is quoted or dealt in on a stock exchange will be based on its last available price in Luxembourg on the stock exchange which is normally the principal market for such security.
- (c) The value of any security or other asset dealt in on any other regulated market that operates regularly, is recognized and is open to the public (a "Regulated Market") will be based on its last available price in Luxembourg.
- (d) In the event that any assets are not listed nor dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange or on any other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- (e) Units or shares of undertakings for collective investment will be valued at their last determined and available net asset value or, if such price is not, in the opinion of the Board of Directors, representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis.

- (f) The liquidating value of futures, spot, forward or options contracts not traded on stock exchanges nor on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, spot, forward or options contracts traded on stock exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on stock exchanges and Regulated Markets on which the particular futures, spot, forward or options contracts are traded by the Fund; provided that if a futures, spot, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable. Swaps will be valued at their market value.
- (g) The value of money market instruments not traded on any stock exchange nor on any other Regulated Market and with a remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.
- (h) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve.
- (i) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

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

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

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

The value of all assets and liabilities not expressed in the Reference Currency of a class of Shares or Sub-Fund will be converted into the Reference Currency of such class of Shares or Sub-Fund at the rate of exchange ruling in Luxembourg on the relevant Valuation Day.

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

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

## **2. Temporary Suspension of the Calculation of the Net Asset Value, of the issue, redemption and conversion of Shares**

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

a) during any period when any stock exchange or other market on which a substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or

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

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

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

e) when for any other reason beyond the control and responsibility of the Board of Directors the prices of any investments owned by the Fund attributable to such Sub-Fund cannot promptly or accurately be ascertained; or

f) upon the notification or publication of a notice convening a general meeting of shareholders for the purpose of resolving the winding-up of the Fund; or

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

h) during any period when political, economical, military, monetary or fiscal circumstances which are beyond the control and responsibility of the Fund prevent the Fund from disposing of the assets, or determining the Net Asset Value of the Fund in a normal and reasonable manner; or

i) during any period when the calculation of the net asset value per unit or share of a substantial part of undertakings for collective investment in which the Fund is investing, is suspended and this suspension has a material impact on the Net Asset Value per Share in a Sub-Fund.

Notice of the beginning and of the end of any period of suspension shall be given by the Fund to all the shareholders by way of publication and may be sent to shareholders affected, i.e. having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.

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

## **F. DISTRIBUTION POLICY**

The distribution policy will be described in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

### **1) Principle**

The general meeting of shareholders shall decide, at the proposal of the Board of Directors and after closing the annual accounts, whether and to what extent distributions are to be paid out of the Net Assets of the relevant Sub-Fund and/or Class. The payment of distributions must not result in the Net Asset Value of the Fund falling below the minimum capital amount prescribed by Luxembourg law.

The Board of Directors may, at its discretion, pay interim dividends.

### **2) Payment**

Shareholders shall be paid by bank transfer in accordance with their instructions.

Payments will be made in the Reference Currency of the relevant Sub-Fund and/or Class.

Entitlements to distributions and allocations not claimed within five years of the due date shall be forfeited and the corresponding assets returned to the respective Sub-Fund. If the Sub-Fund in question has already been liquidated, the distributions and allocations will accrue to the remaining Sub-Funds of the same Fund in proportion to their respective net assets.

## **G. CHARGES AND EXPENSES**

### **1. General**

The Fund pays out of the assets of the relevant Sub-Fund all expenses payable by the Fund which shall include but not be limited to formation expenses, fees payable to its Management Company, Investment Managers and Advisers, including performance fees, if any, fees and expenses payable to its Distributors, Auditors and accountants, Depositary and correspondents, Domiciliary and Corporate Agent, Administrative Agent, Registrar Agent, Listing Agent, any Paying Agent, any independent valuer, any permanent representatives in places of registration, as well as any other



agent employed by the Fund, the remuneration (if any) of the Directors and officers of the Fund and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with Board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, translating, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, share certificates, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank and brokerage charges. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateable for yearly or other periods.

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

Expenses incurred in connection with the creation and launching of the Fund including those incurred in the preparation and publication of the first Prospectus are estimated at EUR 11,000.- and may be amortized over a maximum period of five years.

Expenses incurred in connection with the creation of any additional Sub-Fund shall be borne by the relevant Sub-Fund and will be written off over a period of five years. Hence, the additional Sub-Funds shall not bear a pro rata of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Funds.

## **2. Fees of the Management Company**

The Management Company is entitled to receive from each relevant sub-fund a fee payable quarterly in arrears as determined in Part B of the Prospectus.

## **3. Fees of the Depositary**

The Depositary is entitled to receive from each sub-fund a fee calculated as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

They are currently paid at the following rate:

- 0.055% per annum on the average net assets up to EUR 50 million;
- 0.045% per annum on the average net assets from EUR 50 million to EUR 100 million;
- 0.040% per annum on the average net assets above EUR 100 million.

With an annual minimum of EUR 10,000.- per sub-fund.

plus a transaction fee of EUR 25 per investment transaction in securities respectively of EUR 50 per investment transaction in other UCITS and UCIs and of EUR 250 per investment transaction in hedge funds (if and where applicable).

#### **4. Fees of the Domiciliary and Corporate Agent**

The Domiciliary and Corporate Agent, is entitled to receive at the charge of the Fund, **out of the assets of each Sub-Fund**, a remuneration calculated and expressed basically as flat fees payable yearly or quarterly in arrears as follows: **EUR 7,500 per annum (for the Fund as a whole)**

#### **5. Fees of the Administrative Agent, Transfer and Registrar Agent**

The Registrar and Transfer Agent is entitled to receive from each sub-fund, a remuneration calculated and expressed basically as flat fees payable yearly, or quarterly in arrears as follows: EUR 3,000.- per annum + EUR 30 per transaction.

The Administrative Agent is entitled to receive from each sub-fund a fee calculated as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

They are currently paid at the following rate:

- 0.06% per annum on the average net assets up to EUR 50 million;
- 0.04% per annum on the average net assets from EUR 50 million to EUR 100 million;
- 0.02% per annum on the average net assets above EUR 100 million.

With an annual minimum of **EUR 25,000.-** per sub-fund.

In addition, each sub-fund pays to the Management Company EUR 2,000.- per annum, per additional active share class as of the 4th active share class (free of charge up to 3 active share classes) to be split among all the active share classes of the sub-fund and prorated to the asset of each share class concerned.

Finally, the Management Company, Depositary, Domiciliary and Corporate Agent, Administrative Agent and Registrar Agent are entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements.

## H. DEPOSITARY

Banque Degroof Petercam Luxembourg SA has been appointed as depositary of the SICAV (hereinafter the 'Depositary') within the meaning of article 33 of the Law of 2010.

Banque Degroof Petercam Luxembourg S.A. is a société anonyme incorporated under the laws of Luxembourg. It was incorporated in Luxembourg on 29 January 1987 for an indefinite term under the name of Banque Degroof Luxembourg S.A. Its registered office is located at 12 Rue Eugène Ruppert, L-2453 Luxembourg, and it has engaged in the banking business since its incorporation.

The Depositary performs its duties pursuant to a depositary agreement entered into for an indefinite term between Banque Degroof Petercam Luxembourg S.A. and the SICAV.

Pursuant to this agreement, Banque Degroof Petercam Luxembourg S.A. also acts as paying agent with respect to provide financial servicing for the SICAV's shares.

The Depositary performs its duties and tasks as prescribed by Luxembourg laws and particularly the duties set out in articles 33 to 37 of the Law of 2010.

The Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the SICAV and the investors of the SICAV.

The Depositary shall not carry out activities, with regard to the SICAV or the Management Company on behalf of the SICAV, that may create conflicts of interest between the SICAV, the shareholders and the Management Company. An interest is a source of a benefit of any kind whatsoever and a conflict of interest is a situation in which the interest of the Depositary during performance of its activities conflicts with the interest of the SICAV, the shareholders and/or the Management Company.

The Depositary may provide the SICAV, directly or indirectly, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services, as well as the capital links between the Depositary and some service providers and/or governing bodies of the SICAV, may lead to potential conflicts of interests between the Depositary and the SICAV.

Situations that may give rise to a potential conflict of interest during performance of the Depositary's activities may include the following:

- the probability that the Depositary will make a financial gain or avoid a financial loss, at the SICAV's expense;
- the Depositary's interest while it performs its activities is not the same as the SICAV's interest;
- financial or other reasons exist that might encourage the Depositary to act in the interest of a client rather than in the interest of the SICAV;
- the Depositary receives or will receive a benefit in connection with the performance of its activities, other than its usual fees, from a counterparty other than the SICAV;

- some members of the staff of Banque Degroof Petercam Luxembourg S.A. are members of the SICAV's board of directors;
- the Depositary and the Management Company are linked, directly or indirectly, to Banque Degroof Petercam S.A. and some members of the staff of Banque Degroof Petercam S.A. are members of the Management Company;
- the Depositary also acts as central administration agent of the SICAV;
- the Depositary delegates the safekeeping of certain assets of the SICAV to a number of sub-custodians; and
- the Depositary may provide additional banking services beyond the depositary services.

The Depositary may perform these activities provided it has put in place functional and organisational barriers to separate performance of its tasks as Depositary from its other potentially conflictual tasks, and the potential conflicts of interest are duly and properly identified, managed, monitored and disclosed to the SICAV shareholders.

In order to identify, prevent and minimize conflicts of interest that may arise, the conflict of interest procedures and measures put in place by the Depositary include practical measures to ensure that if a conflict of interest arises the Depositary's interest is not unfairly prioritised.

Especially:

- staff members of Banque Degroof Petercam Luxembourg S.A. which are members of the SICAV's board of directors will not interfere in the management of the SICAV which remains delegated to the Management Company which will ensure it, or delegate it, following its own procedures, rules of conduct and staff; and
- none of the staff of Banque Degroof Petercam Luxembourg S.A., performing or participating in the safekeeping, oversight and/or cash flow monitoring functions can be a member of the Board of the SICAV.

The Depositary publishes on the following website, <https://www.degroofpetercam.lu/fr/protection-de-linvestisseur>, the list of delegates and sub-delegates it uses.

The selection and monitoring process of sub-custodians is handled in accordance with the Law of 2010. The Depositary monitors any potential conflicts of interests that may arise with sub-delegates. At present, the Depositary therefore confirms that no situation of conflicts of interest with any delegates or sub-delegates could be identified.

When, despite the measures in place to identify, prevent and minimize conflicts of interest that may arise with the Depositary, such a conflict arises, the Depositary shall at all times comply with its legal and contractual obligations to the SICAV. If a conflict of interest was likely to significantly and adversely affect the SICAV or the shareholders of the SICAV and cannot be resolved, the Depositary shall duly inform the SICAV, which will take appropriate action.

Updated information relating to the Depositary may be obtained by shareholders upon request.

#### **I. DOMICILIARY AND CORPORATE AGENT, ADMINISTRATIVE AGENT, PAYING AGENT, REGISTRAR AGENT**

The Management Company undertakes the functions of Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent for the Fund. In such capacity, it will be responsible for all corporate agency duties, and all administrative duties required by Luxembourg law, including bookkeeping and calculation of the Net Asset Value per Share of any class of Shares within each Sub-Fund and the safekeeping of the register of shareholders of the Fund.

The rights and duties of the Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent are governed by an agreement entered into for an unlimited period of time and which may be terminated at any time by the parties, on giving a three months' prior written notice.

#### **J. INVESTMENT MANAGER AND INVESTMENT ADVISER**

In order to carry out the policy of any Sub-Fund, the Management Company may delegate at the charge of the Fund the investment management function to one or more investment managers for each Sub-Fund, as specified in Part B of the Prospectus (individually the "Investment Manager" and collectively the "Investment Managers") as the case may be.

The Investment Manager provides the Management Company with advice, reports and recommendations in connection with the management of the assets of the relevant Sub-Fund(s) and shall advise the Management Company as to the selection of the securities and other assets constituting the portfolios of the relevant Sub-Fund(s) and has discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage the relevant Sub-Fund's portfolio.

In addition, the Management Company and/or the Investment Manager(s) may be assisted at the charge of the Fund by one or more investment advisers for each Sub-Fund, as specified in Part B of the Prospectus (individually the "Investment Adviser" and collectively the "Investment Advisers"). An Investment Adviser may so be designated to provide investment advice on any particular category of assets of any Sub-Fund when it is considered that such an investment adviser has specific knowledge and skills in the contemplated assets. The Management Company nor the Investment Manager as the case may be, will never be bound by the advice provided by the Investment Adviser as the case may be.

The appointment of an Investment Manager and/or of an Investment Adviser will be indicated in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

#### **K. DISTRIBUTORS**

The Management Company may decide to appoint at any time distributors and/or nominees (the "Distributors") to assist it in the distribution and the placement of Shares of the Fund.

The Distributors will carry out activities of marketing, placement and sale of Shares of the Fund. They will intervene in the relationship between the investors and the Fund in collecting

subscription orders of Shares. They will be authorised to receive subscription and redemption orders from investors and shareholders on behalf of the Fund, and to offer Shares at a price based on the applicable Net Asset Value per Share.

The Distributors shall transmit to the Registrar Agent of the Fund any application for the issue and/or redemption of Shares.

The Distributors will also be entitled to receive and execute the payment of the issue and redemption orders of Shares.

In the context of Distributors acting as nominees on behalf of investors, each Distributor shall be entered into the register of shareholders held by the Fund and not the clients who have invested in the Fund. The terms and conditions of the distribution agreements will provide, among others, that a client who has invested in the Fund through a Distributor shall at all times be entitled to require the transfer of the legal title to the Shares to be registered in such client's own name, whereupon that client shall be entered in the register of shareholders upon receipt of proper instructions from the Distributor.

Investors shall nevertheless retain the possibility to invest directly in the Fund, without investing via the Distributor.

The Management Company shall be responsible for the remuneration of the Distributors, the related payments to be deducted from the investment management fees payable by the Management Company to the Investment Manager.

The Management Company will conclude distribution agreements with Distributors provided that they are professionals in the financial sector and established in any of the Member States of the European Union, the European Economic Area or any country listed in the Grand-Ducal Regulation of 29 July 2008 establishing the list of third countries which impose equivalent requirements within the meaning of the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended. The Distributors so appointed will be mentioned in the annual and semi-annual reports of the Fund.

## **L. TAXATION**

The following summary is based on the law and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein.

### **1. Taxation of the Fund in Luxembourg**

The Fund is not liable to any Luxembourg tax on profits or income. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter. That portion of a Sub-Fund's assets which are invested in units or shares of undertakings for collective investment which are already subject to the *taxe d'abonnement* according to the applicable legal provisions in Luxembourg are not subject to this tax. No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

## General

Dividends, interest and capital gains received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

### 2. Automatic Exchange of Information

European Directive 2014/107/EU of 9 December 2014 (the 'Directive') amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, like other international agreements, such as those that have been or will be adopted in connection with the information exchange standard developed by the OECD (more generally known as the 'Common Reporting Standard' or 'CRS'), require participating jurisdictions to obtain information from their financial institutions and to exchange such information as from 1 January 2016.

Pursuant, in particular, to the Directive, investment funds, which are considered to be Financial Institutions, are required to collect specific information intended to properly identify their Investors.

In addition, the Directive requires that the personal and financial data<sup>1</sup> of each Investor who is:

- an individual or legal entity considered to be a reportable person<sup>2</sup>, or
- a passive non-financial entity (NFE)<sup>3</sup> with controlling persons who are reportable persons<sup>4</sup>,

be reported by the Financial Institution to the competent local Tax Authorities, which will, in turn, forward such information to the Tax Authorities of the country(ies) in which the Investor resides.

If the Fund's shares are held in an account with a financial institution, such institution will be responsible for reporting the required information.

Consequently, the Fund, whether directly or indirectly (i.e. through an intermediary appointed for such purpose):

- may, at any time, request and obtain from any Investor updates to the documents and information already provided, as well as any additional document or information for any purpose whatsoever;
- is required by the Directive to report all or some of the information provided by Investors in connection with their investment in the Fund to the competent local Tax Authorities.

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<sup>1</sup> Including, but not limited to, name, address, country of residence, tax identification number, date and place of birth, bank account number, the amount of income generated, the proceeds from sales, redemptions or refunds, and the value of the 'account' during the calendar year or upon the closure thereof.

<sup>2</sup> An individual or legal entity who is not a resident of the country in which the Fund is incorporated and who is a resident of a participating country. The list of countries that participate in the automatic exchange of information may be viewed on the following website: <http://www.oecd.org/tax/automatic-exchange/>

<sup>3</sup> Non-Financial Entity, i.e. an Entity that is not a Financial Institution under the Directive.

<sup>4</sup> An individual or legal entity who is not a resident of the country in which the Fund is incorporated and who is a resident of a participating country. The list of countries that participate in the automatic exchange of information may be viewed on the following website: <http://www.oecd.org/tax/automatic-exchange/>

The Investor is hereby informed of the potential risk of an inaccurate and/or erroneous exchange of information in the event the information he provides ceases to be accurate or complete. In the event of a change that impacts the information provided, the Investor shall promptly inform the Fund (or any intermediary it appoints for such purpose) and furnish, if necessary, a new certificate within 30 days from the event that causes the information to become inaccurate or incomplete.

The mechanisms and scope of this information exchange regime may change over time. Each Investor is recommended to consult his own tax adviser to determine the impact that the CRS provisions may have on an investment in the Funds.

In Luxembourg, under the Act of 2 August 2002 relating to the protection of individuals in relation to the processing of personal data, the Investor has a right to access and rectify data about him that are reported to the Tax Authorities. These data are kept by the Fund (or any intermediary it appoints for such purpose) in accordance with the provisions of that Act.

### **3. Foreign Account Tax Compliance Act (« FATCA »)**

The Foreign Account Tax Compliance Act (**FATCA**), which forms part of the US Hiring Incentives to Restore Employment (HIRE) Act, was enacted in the US in 2010 and took effect on 1 July 2014. The Act requires that foreign financial institutions (**FFIs**), that is financial institutions established outside of the US, report information on financial accounts held by specified US persons or non-US entities with one or more controlling person that is a specified US person (together referred to as "**US reportable accounts**") to the US tax authorities (Internal Revenue Service, **IRS**) every year. A withholding tax of 30% is also levied on revenue from a US source paid to FFIs that do not comply with the requirements of FATCA ("**non participating FFIs**").

On 28 March 2014, the Grand Duchy of Luxembourg signed an intergovernmental agreement with the US ("**Luxembourg IGA**"). Funds that are considered FFIs are required to comply with the Luxembourg IGA as introduced into national law following its ratification rather than comply directly with the FATCA regulations as issued by the US government.

Pursuant to the Luxembourg IGA, funds are required to collect specific information identifying their shareholders/unitholders and all intermediaries (nominees) acting on behalf of the latter. Funds will be required to report information they have about US reportable accounts and non-participating FFIs to the Luxembourg tax authorities, which in turn relay that information automatically to the IRS.

Funds must comply with the provisions of the Luxembourg IGA as introduced into national law following its ratification in order to be considered compliant with the FATCA and to be exempt from the 30% withholding tax levied on US investments, whether real or considered as such. To guarantee such compliance, the Fund or any authorised agent may:

- a. seek information or additional documentation, including US tax forms (Forms W-8 / W-9) and a GIIN (Global Intermediary Identification Number), where necessary, or any other documentary evidence of the identification of a shareholder/unitholder, intermediary, and their respective status pursuant to FATCA,
- b. report information specifically related to a shareholder/unitholder and its account to the Luxembourg tax authorities if it is considered a US reportable account pursuant to the Luxembourg IGA, or if the account is believed to be held by a non-participating FFI pursuant to FATCA, and



- c. where required, arrange for the deduction of US withholding tax applicable to payments made to certain shareholders/unitholders, in accordance with FATCA.

Notions and terms related to the FATCA should be interpreted and understood with reference to the definitions of the Luxembourg IGA and the texts ratifying this agreement under applicable national law, and solely on a secondary basis according to the definitions contained in the FATCA Final Regulations issued by the US government. ([www.irs.gov](http://www.irs.gov)).

The Fund may be required as part of its compliance with FATCA to disclose to the US tax authorities, via the Luxembourg tax authorities, personal information related to specified US persons, non-participating foreign financial institutions (FFIs), and passive non-financial foreign entities (passive NFFEs) with one or more controlling person that is a specified US person.

In the event of doubt concerning their status under FATCA or the implications of FATCA or the IGA in terms of their personal situation, investors are recommended to consult their financial, legal or tax advisor before subscribing for units/shares in the Fund.

#### **4. Directive 2018/822/EU - "DAC 6"**

The Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements, also known as "DAC 6", came into force on 25 June 2018.

Luxembourg transposed it into national law on 25 March 2020. In view of the COVID-19 pandemic, the EU Council adopted on 24 June 2020 the possibility to postpone the initial notification dates of the declarations by 6 months. Consequently, in Luxembourg, the initial date of effect of the DAC 6 Directive of 1 July 2020 has been replaced by the date of 1 January 2021.

The primary objective of the DAC 6 Directive is to ensure that Member States obtain information on "potentially aggressive" cross-border tax arrangements, i.e. arrangements which are set up in different jurisdictions which allow taxable profits to be shifted to more favourable tax regimes or which have the effect of reducing the taxpayer's overall tax base.

As a result, from 1 January 2021, any intermediary (i.e. any person who designs, markets or organises a reportable cross-border device, makes it available for implementation or manages its implementation (Article 3(21)) is obliged to notify, by way of a declaration, within 30 days of the first steps in the implementation of the structure, any potentially aggressive cross-border arrangement, according to the identified hallmark (i.e. a characteristic or feature of a cross-border device that indicates a potential risk of tax evasion, [...]) (Article 3(20)).

The Management Company is a potential intermediary within the meaning of DAC 6 and may be required to report cross-border arrangements that have one or more hallmarks.

The DAC 6 Directive applies to any arrangement implemented on or after 25 June 2018, date on which the Directive came into force.

As a transitional measure, where the first step for the implementation of a cross-border arrangement was taken between 25 June 2018 and 30 June 2020 and between 1 July 2020 and 31 December 2020, such arrangement had to be declared by 28 February 2021 and 31 January 2021 respectively at the latest.

Shareholders, as taxpayers, are likely to be secondarily responsible for the reporting of cross-border arrangements falling within the scope of the DAC 6 Directive and should therefore consult their tax advisors for further information.

## **5. General**

It is expected that shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares in the Fund. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

**The above information is not exhaustive and does not constitute legal or tax advice. Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.**

## **M. GENERAL INFORMATION**

### **1. Corporate Information**

The Fund was incorporated for an unlimited period of time on 27 April 2010 and is governed by the Luxembourg law of 10 August 1915 on commercial companies, as amended, and by the Law of 2010 (and more particularly by Part I thereof).

The registered office of the Fund is established at 12, rue Eugène Ruppert, L-2453 Luxembourg.

The Fund is recorded at the "Registre de Commerce et des Sociétés" of Luxembourg under the number B 152774.

The Articles were published in the "Mémorial C, Recueil des Sociétés et Associations" (the "Mémorial") of 10 May 2010, and have been filed with the "Registre de Commerce et des Sociétés" of Luxembourg. Any interested person may inspect the Articles on the "Registre de Commerce et des Sociétés" of Luxembourg website at [www.rcsl.lu](http://www.rcsl.lu).

The minimum capital of the Fund as provided by law, which must be achieved within 6 months from the date on which the Fund has been authorized as an undertaking for collective investment under Luxembourg law, is EUR 1,250,000. The capital of the Fund is represented by fully paid-up Shares of no par value. The initial capital of the Fund has been set at EUR 31,000.- divided into 310 fully paid-up Shares of no par value.

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

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

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

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

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

## **2. Meetings of, and Reports to, shareholders**

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

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

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

If the Articles are amended, such amendments shall be filed with the "Registre de Commerce et des Sociétés" of Luxembourg and published in the RESA.

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

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

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

The accounting year of the Fund commences on the first of January and terminates on the thirty first of December of the same year.

The annual general meeting of shareholders takes place in Luxembourg City at a place specified in the notice of meeting each year on the third Tuesday in the month of April at 11.30 a.m.. If such day is not a Business Day in Luxembourg, the annual general meeting shall be held on the next following Business Day in Luxembourg.

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

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

### **3. Dissolution and Liquidation of the Fund**

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

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

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

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

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

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

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

#### **4. Dissolution and Merger of Sub-Funds**

In the event that for any reason the value of the net assets in any Sub-Fund has decreased to or has not reached an amount below EUR 2,500,000.- or the equivalent in any other Reference Currency, being the amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, or if a change in the economical or political situation relating to the Sub-Fund concerned would have material adverse consequences on the investments of that Sub-Fund or in order to proceed to an economical rationalization, the Board of Directors may decide to compulsorily redeem all the Shares issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect. The Fund shall serve a notice to the holders of the relevant Shares at least thirty calendar days prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations: registered holders shall be notified in writing and the Fund shall inform holders of bearer dematerialized Shares by publication of a notice in newspapers to be determined by the Board of Directors. Unless it is otherwise decided in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the effective date for the compulsory redemption.

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

All redeemed Shares shall be cancelled.

Under the same circumstances as provided in the first paragraph of this section, the Board of Directors may decide to merge any Sub-Fund with another existing Sub-Fund within the Fund or with another undertaking for collective investment organized under the provisions of Part I of the Law of 2010 or with another sub-fund within such other undertaking for collective investment (the "New Sub-Fund"). Such decision will be published in the same manner as described in the first paragraph of this section (and, in addition, the publication will contain information in relation to the New Sub-Fund), thirty days before the date on which the merger becomes effective in order to enable shareholders to request redemption or conversion of their Shares, free of charge, during such period.

#### **N. SPECIFIC RISK FACTORS**

Investing in the Fund and its Sub-Funds involves risks, including in particular those associated to market fluctuations and the risks inherent in any investment in financial assets. Investments may also be affected by changes to the rules and regulations governing exchange controls or taxation, including withholding tax, or by changes to economic and monetary policies.

No guarantee can be given that the Fund's and Sub-Funds' objectives will be achieved and that investors will recover the amount of their initial investment.

Past performance is not an indicator for future results or performance.

The conditions and limits laid down in sections II and III above are intended however to ensure a certain portfolio diversification so as to reduce such risks.

The Sub-Funds are exposed to various risks, depending on their respective investment policies. The main risks to which Sub-Funds may be exposed are listed below.

### **1. Equity risk**

The risks associated with investments in equity (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a company's shares to its bonds. Moreover, these fluctuations are often amplified in the short term.

### **2. Credit risk**

This is the risk that may derive from the rating downgrade or the default of a bond issuer to which the Sub-Funds are exposed, which may therefore cause the value of the investments to go down. Such risks relate to the ability of an issuer to honor its debts.

Downgrades of an issue or issuer rating may lead to a drop in the value of bonds in which the Sub-Funds have invested.

Some strategies utilized may be based on bonds issued by issuers with a high credit risk (junk bonds).

Sub-Funds investing in high-yield bonds present a higher than average risk due to the greater fluctuation of their currency or the quality of the issuer.

### **3. Interest rate risk**

The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc.

The investor's attention is drawn to the fact that an increase in interest rates results in a decrease in the value of investments in bonds and debt instruments.

#### **4. Liquidity Risk**

There is a risk that investments made by the Sub-Funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or by substantial price movements), if their “rating” declines or if the economic situation deteriorates; consequently, it may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in these sub-funds.

#### **5. Inflation Risk**

Over time, yields of investments may not keep pace with inflation, leading to a reduction of investor’s purchasing power.

#### **6. Taxation Risk**

The value of an investment may be affected by the application of tax laws in various countries, including withholding tax, changes in government, economic or monetary policy in the countries concerned. As such, no guarantee can be given that the financial objectives will actually be achieved.

#### **7. Counterparty Risk**

This risk relates to the quality or the default of the counterparty with which the Management Company negotiates, in particular involving payment for/delivery of financial instruments and the signing of agreements involving forward financial instruments. This risk is associated with the ability of the counterparty to fulfil its commitments (for example: payment, delivery and reimbursement). If counterparty does not live up to its contractual obligations, it may affect investor returns.

#### **8. Operational & Custody Risk**

Some markets (emerging markets) are less regulated than most of the developed countries regulated markets; hence, the services related to custody and liquidation for the funds on such markets could be riskier. Operational risk is the risk of contract on financial markets, the risk of back office operations, custody of securities, as well as administrative problems that could cause a loss to the sub funds. This risk could also result from omissions and inefficient securities processing procedures, computer systems or human errors.

#### **9. Currency risk**

A Sub-Fund may hold assets denominated in currencies other than its reference currency. It may be affected by changes in exchange rates between the reference currency and these other currencies or by changes to exchange control regulations. If the currency in which an asset is denominated appreciates against the Sub-Fund’s reference currency, the security’s equivalent value in the reference currency will also appreciate. Conversely, a depreciation in the currency will result in a fall in the security’s equivalent value in the reference currency.

Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

When the Management Company is willing to hedge the currency exchange risk of a transaction, there is no guarantee that such operation will be completely effective.

#### **10. Emerging & New Frontiers Markets Risk**

Investors' attention is drawn to the fact that the manner in which the markets of certain emerging and less developed countries operate and are supervised may differ from the standards that prevail in the major international markets.

Sub-funds investing in emerging and new frontiers markets are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions (social, political and economic conditions). In addition, some emerging markets offer less security than the majority of international developed markets and certain markets are not currently considered to be regulated markets. For this reason, services for portfolio transactions, liquidation and conservation on behalf of funds invested in emerging markets may carry greater risk.

The Fund and investors agree to bear these risks.

#### **11. Low Interest Rate Consequence**

A very low level of interest rates may affect the return on short term assets held by monetary funds which may not be sufficient to cover management and operating costs leading to there a structural decrease of the net asset value of the Sub-Fund.

#### **12. Small Cap, Specialised or Restricted Sectors Risk**

Sub-funds investing in small caps or specialised or restricted sectors are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions.

Smaller companies may find themselves unable to generate new funds to support their growth and development, they may lack vision in management, or they may develop products for new, uncertain markets.

The Fund and investors agree to bear these risks.

#### **13. Derivatives Risk**

In order to hedge (hedging derivative investments strategy) and/or to leverage the yield of the Sub-Fund (trading derivative investment strategy), the Sub-Fund is allowed to use derivative investments' techniques and instruments in the context of a Sub-Fund's overall investment policy and under the circumstances set forth in Section II and III of Part A of the prospectus (in particular,



warrants on securities, agreements regarding the exchange of securities, rates, currencies, inflation, volatility and other financial derivative instruments, contracts for difference (CFDs), credit default swaps (CDSs), futures and options on securities, rates or futures).

The investor's attention is drawn to the fact that these financial derivative instruments include leveraging. Because of this, the volatility of these Sub-Funds is increased.

#### **14. Risk related to investments in other UCITS and UCIs**

Such investments expose a Sub-Fund to the risks related to financial instruments held by any such UCI / UCITS in their portfolios. However certain risks are directly linked to the holding of units/shares of UCI / UCITS. Some UCI / UCITS may be leveraged either by using financial derivatives instruments or through borrowing. Use of leverage increases the volatility of the value of such UCI / UCITS and thus the risk of losing capital. Investments made in units or shares of any such UCI / UCITS may also entail a higher liquidity risk than a direct investment in a portfolio of transferable securities. To the contrary, investments made in units or shares of any such UCI / UCITS gives a Sub-Fund a flexible and efficient way to access to several professional management styles and also gives a certain diversification of its investments.

A Sub-Fund mainly investing through UCI / UCITS will ensure that its portfolio of UCI / UCITS shows proper liquidity profile so that it can in turn face its own liquidity duty. The way such target UCI / UCITS are selected will take into account the liquidity profile of such UCI / UCITS and any given Sub-Fund mainly investing in open-ended UCI / UCITS will ensure that such target UCI / UCITS have a liquidity profile to that of the Sub-Fund.

If the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or UCIs.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees (including investment management and performance fees) charged both to the Sub-Fund and to the other UCITS and/or other UCIs may normally not exceed 5%.

#### **15. Risk linked to Structured Debts:**

Structured debts and securitisation involve following risks: credit risk, default risk and downgrading risk (on the different underlying asset tranches), liquidity risk.

#### **16. Mortgage and Other Asset Back Securities (MBS / ABS)**

The yield characteristics of ABS / MBS differ from traditional debt securities.

A major difference is that the principal amount of the obligation generally may be prepaid at any time because the underlying assets generally may be prepaid at any time. As a result, if an ABS / MBS is purchased at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing yield to maturity.

Conversely, if an ABS / MBS is purchased at a discount, faster than expected prepayments will increase, while slower than expected prepayments will decrease, yield to maturity.

Generally, pre-payments on fixed-rate mortgage loans will increase during a period of falling interest rates and decrease during a period of rising interest rates. ABS / MBS may also decrease in value as a result of increases in interest rates and, because of prepayments, may benefit less than other fixed income securities from declining interest rates. Reinvestment of prepayments may occur at lower interest rates than the original investment, thus adversely affecting a Sub-Fund's yield. Actual prepayment experience may cause the yield of ABS / MBS to differ from what was assumed when the Fund purchased the security.

The market for privately issued ABS / MBS is smaller and less liquid than the market for U.S. government ABS / MBS.

In addition, the term ABS also covers securities which are not resulting from securitisation activities, such as securities which are secured by assets, but whose cash flows do not necessarily derive from the cash flows of the underlying assets.

### **17. Structured Notes Risk**

Structured notes such as credit-linked notes, equity-linked notes and similar notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. Investment in these instruments may cause a loss if the value of the underlying security decreases. There is also a risk that the note issuer will default. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of a structured note can be less than that for the underlying security, a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

### **18. Concentration risk**

Sub-Funds which invest in a concentrated portfolio may be subject to greater volatility than those Sub-Funds with a more diversified portfolio.

### **19. Risk related to investments in convertible bonds**

A convertible bond generally entitles the holder to receive interest paid or accrued on bond or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible bonds generally have characteristics similar to both debt and equity securities. The value of convertible bonds tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. Convertible bonds are usually subordinated to

comparable nonconvertible bonds. Convertible bonds generally do not participate directly in any dividend increases or decreases of the underlying securities, although the market prices of convertible bonds may be affected by any dividend changes or other changes in the underlying securities.

## **20. Russian and Eastern European market risks**

The negotiable securities of issuers in Russia, Eastern European countries and the new independent States, such as Ukraine and the countries previously under the influence of the Soviet Union, involve significant risks and special considerations which are not in general associated with an investment in the transferable securities of issuers of EU Member States and the United States of America. These risks should be considered in conjunction with the normal risks inherent in such investments and include political, economic, legal, monetary, inflationary and tax risks. For example, there is a risk of loss due to the absence of adequate systems for transferring, setting the price, proving ownership and holding or registering transferable securities.

The Russian market in particular poses a variety of risks related to regulation and custody of transferable securities. These risks arise from the fact that there are no physical securities; ownership of the securities is therefore only evident from the issuer's shareholders register. Each issuer is responsible for appointing its own Registrar. As a result there is a wide geographical distribution of hundreds of registration agents across Russia. The Federal Securities and Financial Markets Commission in Russia has defined the duties of a Registrar, including what constitutes proof of ownership and transfer procedures. However, the difficulties in enforcing the regulations of this Commission mean that there is a significant risk of loss or error and that there can be no guarantee that the registration agents will act in compliance with applicable laws and regulations. Generally accepted industrial practices are still in the introductory phase. At the time of registration, the Registrar produces an extract from the shareholders register. From this exact moment, ownership of the shares is entered in the Registrar's registers, but it is not proven by possession of an extract from the shareholders register. The extract only proves that the registration took place. However, the extract is not negotiable and has no intrinsic value. In addition, a registrar will generally not accept an extract as proof of ownership of shares and is not required to notify the Depositary or its local agents in Russia if or when he amends the shareholders register. Russian transferable securities have not been physically deposited with the Depositary or its local agents in Russia. Similar risks apply with regard to the Ukrainian market.

Neither the Depositary nor its agents in Russia or in Ukraine can then be considered to have a safeguarding or physical depository role in the traditional meaning of the term. The registration agents are neither agents of the Depositary or of its local agents in Russia or Ukraine, nor are they responsible for them. The liability of the Depositary extends only as far as its own negligence and wilful neglect as well as any damages incurred by negligence or wilful misconduct of its local agents in Russia or Ukraine, and does not extend to losses caused by liquidation, bankruptcy, negligence or wilful neglect of any Registrar. In the event of such losses, the Fund must take legal action directly against the issuer and/or its appointed registrar.

However, transferable securities traded on the "Moscow Exchange" in Russia may be treated as an investment in transferable securities traded on a regulated market. Investments made on the "Moscow Exchange" bring together a significant number of Russian issuers and allow virtually

complete coverage of the world of Russian shares. The choice of the “Moscow Exchange” offers the benefits of the liquidity of the Russian market without having to use the local currency, as the “Moscow Exchange” allows dealings with issuers directly in USD.

## **21. Warrant Risk**

The investor’s attention is drawn to the fact that warrants are complex, volatile, high-risk instruments: the risk of a total loss of the invested capital is great. In addition, one of the principal characteristics of warrants is the “leverage effect”, which is seen in the fact that a change in the value of the underlying asset can have a disproportionate effect on the value of the warrant.

Finally, there is no guarantee that, in the event of an illiquid market, it will be possible to sell the warrant on a secondary market.

## **22. Credit Default Swaps (“CDS”) Risk**

A CDS is an agreement in which one party buys protection against losses occurring due to a credit event of a reference entity up to the maturity date of the swap. The protection buyer pays a periodic fee for this protection up to the maturity date, unless a credit event triggers the contingent payment. In the latter case, the buyer of protection only needs to pay the accrued fee up to the day of the credit event. If a credit event occurs, the settlement will be either in cash or physical: (i) Cash settlement: the seller of protection will pay to the buyer of protection the net amount between the nominal value and the market value of the security; (ii) Physical settlement: the buyer of protection will deliver a bond or a loan of the reference entity to the seller of protection and the latter will pay the par value in return. Credit events for CDS are typically: bankruptcy, failure to pay, and restructuring.

The Sub-Funds may take synthetic long or short positions in certain securities via CDS. The use of CDS may carry a higher risk than investing in bonds directly. A CDS allows the transfer of default risk. CDS can either serve as a substitute for purchasing corporate bonds or they can hedge specific corporate bond exposure or reduce exposure to credit basis risk. If a Sub-Fund is a buyer and no event of default occurs, such Sub-Fund will lose its investment and recover nothing. However, if an event of default occurs, a buyer Sub-Fund will receive the amount above mentioned depending on cash or physical settlement. If a Sub-Fund is a seller, it will receive a fixed rate of income throughout the term of the contract provided no credit event occurs. In the latter case, a Sub-Fund will have to pay the amount provided in the contract.

All Sub-Fund using Credit Default Swaps may, in the case of a credit event, have to accept delivery of non investment-grade bonds issued in a currency other than the relevant Reference Currency. The delivery of such non-investment-grade bonds in a currency other than the relevant Reference Currency will not be regarded as a breach of investment policy for the relevant Sub-Fund which may only be invested in investment-grade-bonds or in bonds issued in the relevant Reference Currency. The market for CDS may sometimes be more illiquid than bond markets.

The aforementioned information is not exhaustive. It is not intended to, and does not, constitute legal advice. If in doubt, potential investors should read the Prospectus carefully and consult their own professional adviser(s) as to the implications of subscribing for or otherwise dealing in the Shares.

### **23. Risk related to investments in contingent convertible bonds (“CoCo bonds”)**

Some sub-funds may invest in contingent convertible bonds. Given the terms of these securities, certain triggering factors, including events under the control of the issuer’s management, may result in a permanent loss of principal and accrued interest or a conversion into capital shares. These triggers include (i) a reduction in the Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a predetermined threshold, (ii) a subjective decision made at any time by a regulator to declare the issuing institution “non-viable”, i.e. requiring public sector intervention to prevent its insolvency, its bankruptcy or its inability to honour a substantial portion of its debts as they fall due or to continue its activities in any other way, either to convert the contingent convertible bonds into equity shares in circumstances beyond the issuer’s control or (iii) a decision by a national authority to inject capital.

Investors of sub-funds authorised to invest in convertible bonds are informed of the following risks associated with investing in this type of instrument:

- Risk of inversion of the capital structure

Unlike a traditional capital hierarchy, holders of contingent convertible bonds can suffer a capital loss where holders of equity securities are protected against it. In some scenarios, holders of contingent convertible bonds will incur losses before holders of equity securities. This is contrary to a normal capital structure in which the holders of capital securities suffer losses first.

- Risk of extension of repayment

Most contingent convertible bonds are issued in the form of perpetual instruments, repayable at pre-established levels only with the approval of the competent authority. It cannot be assumed that contingent convertible bonds will be redeemed at the redemption date. Perpetual contingent convertible bonds are a form of permanent capital. The investor might not recover the invested principal if he/she plans to recover it at the redemption date or any date.

- Risk related to lack of experience

Due to their innovative structure, there is a lack of clarity regarding contingent convertible bonds. It is not clear how they will behave in a pressurised environment in which the underlying characteristics of these instruments are tested. In case of activation of the trigger factor or a suspension of coupon by a given issuer, will the market consider that this is an idiosyncratic or a systemic event? In the second case, it is possible that there may be a contagion effect on the prices and potential volatility of the whole class of assets. This risk may be worsened, depending on the level of arbitrage on the underlying instrument. In addition, pricing pressure could be increased in a market lacking liquidity.

- Sectoral concentration risk

Contingent convertible bonds are issued by banks/insurance institutions. If a Sub-fund invests heavily in contingent convertible bonds, its performance will depend to a greater extent on the overall situation of the financial services sector than a Sub-fund adopting a more diversified strategy.

- Liquidity risk

In certain circumstances, finding the right buyer for contingent convertible bonds may be difficult and the seller may have to accept a significant discount on the expected value of the bond in order to sell it.

#### **24. Specific information relating to regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related financial disclosure in the financial sector**

##### **Notices relating to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector**

Notices relating to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability disclosures in the financial services sector (the "Regulation") establishes harmonised rules for the Fund on transparency regarding the integration of sustainability risks and the consideration of negative sustainability impacts in their processes and the provision of sustainability information.

For example, environmental, social and personnel issues, respect for human rights and anti-corruption and bribery may represent a risk defined as an environmental, social or governance event or situation which, if it occurs, could have a significant actual or potential negative impact on the value of the Fund's investments.

The impact of considering sustainability factors in investment decisions and the likely impact of sustainability risks may result in a change in the performance of the Fund.

Although common standards are in place, there may still be a divergence between actors in their respective approaches and thus introduce some subjectivity by those same actors of the material related to environmental, social or governance issues through the introduction of a judgement factor and the various interpretations used within that material. In addition, environmental, social or governance information from data providers may be incomplete, unavailable, or inaccurate.

Finally, the approach to environmental, social and governance issues is intended to evolve as a result of new legal and regulatory developments and market practice.

Sub-funds are required to disclose how duration risks are incorporated into their investment decisions and the results of the assessment of the likely impact of sustainability risks on the performance of the sub-funds.

The Allroad Responsible Investment sub-fund (categorised as "Article 8" sub-fund) favours environmental, social, or ethical characteristics in its strategy but does not have a specific and measurable sustainability objective in its investments. Nevertheless, this sub-fund invests in sustainable investments and, as such, falls into the category of Article 8 of the Regulation.

The Allroad Conservative, Allroad Equity, Allroad Bond and Allroad Balanced sub-funds do not promote environmental, social, or ethical characteristics, or a combination of these characteristics, do not have a sustainable investment objective and as such fall into the category of article 6 of the Regulation. Therefore, the investments underlying these sub-funds do not take into account the EU criteria for environmentally sustainable economic activities.

The principle of "not causing significant harm" referred to in Regulation (EU) 2020/852 (the "Taxonomy Regulation") applies only to the underlying investments of the Allroad Responsible Investment sub-fund, so-called "Article 8", which take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion within this "Article 8" sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

These sustainability risks are currently managed by Degroof Petercam Asset Services S.A., acting as the management company in charge of the risk management of the Fund, in accordance with the policy on the integration of sustainability risks published on the management company's website: [www.dpas.lu](http://www.dpas.lu). However, according to Article 4 of the Regulations, the management company may not take into account the negative impact of investment decisions on the sustainability factors as defined in the Regulations. At this stage, it may not take into account such negative impacts when, taking into account the investment policy of the Fund's sub-funds, it is not certain at the date of this prospectus that qualitative and quantitative data relating to sustainability indicators are publicly available for all issuers and financial instruments concerned.

The management company, the Fund and the relevant investment managers therefore reserve the right to regularly reassess their position, depending on possible changes in the regulatory framework regarding the consideration of the negative impact of their investment decisions on the sustainability factors of the Fund's sub-funds.

### **Alignment with the Taxonomy**

Given the different interpretations in different Member States as to what constitutes a "sustainable" investment, the European Commission considered that a common taxonomy was necessary.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to promote sustainable investment and amending the SFDR ("Taxonomy Regulation") establishes a classification system (or taxonomy) that provides companies with a common language for determining whether or not a given economic activity should be considered "environmentally sustainable". The Taxonomy Regulation also establishes disclosure requirements that complement SFDR and Directive 2014/95/EU with respect to activities that contribute to an environmental objective.

In particular, the Taxonomy Regulation provides for six environmental objectives:

1. Climate change mitigation ;
2. Adaptation to climate change;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and control;
6. Protection and restoration of biodiversity and ecosystems.

An economic activity is considered environmentally sustainable when that economic activity :

- makes a substantial contribution to one or more of the six environmental objectives
- does not cause significant harm to any of the environmental objectives ("do no significant harm" or "DNSH" principle)
- is carried out in accordance with the minimum safeguards set out in Article 18 of the Taxonomy Regulation.

The management company and the investment manager are currently working to improve their data collection processes to align with the Taxonomy Regulation and ensure the accuracy and adequacy of published sustainability information. Subsequent updates to the prospectus may be made as appropriate.

As the Regulation's classification may change over time, the prospectus will be updated accordingly.

For the Allroad Responsible Investment sub-fund, categorised as "Article 8", additional information is provided in the sub-fund's appendix.



## **PART B: SPECIFIC INFORMATION**

- I. SUB-FUND "ALLROAD CONSERVATIVE"
- II. SUB-FUND "ALLROAD BOND"
- III. SUB-FUND "ALLROAD EQUITY"
- IV. SUB-FUND "ALLROAD BALANCED"
- V. SUB-FUND "ALLROAD RESPONSIBLE INVESTMENT"

## **I. SUB-FUND "ALLROAD CONSERVATIVE"**

### **1. Name**

The name of the Sub-Fund is "Allroad Conservative" (the "Sub-Fund").

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

#### **- Investment Policy**

The objective of the Sub-Fund is to seek capital appreciation over a long-term period.

To achieve this objective, the Investment Manager will invest mainly in stocks, fixed-rate, variable-rate or floating-rate bonds, convertible bonds or bonds with warrants. Although investments may be made directly, the Sub-Fund may also use UCITS or UCIs (including those established as Exchange Traded Funds), within the meaning of Article 1, paragraph (2), sub-paragraphs a) and b), of Directive 2009/65/EC, that are regulated, open and diversified, and have a risk distribution comparable to that of Luxembourg UCIs governed by Part I of the Law of 2010.

There will be no restriction in terms of industrial or geographical diversification.

Under normal conditions, the Investment Manager will adhere to the following portfolio composition:

-Equities:	0-40%
-Bonds:	0-100%
-Alternative Assets:	0-10%
-Structured Notes:	0-10%
-Money Market Instruments:	0-10%

The use of these limits indicates a minimum threshold defined as an objective by the SICAV's board of directors and not as a constraint. The Sub-Fund may therefore temporarily depart from these minimum limits, for example: (i) to take account of particular market situations, (ii) as a result of available liquidity pending investment opportunities, or (iii) in the event of capital movements (subscriptions or redemptions) followed by purchases or sales of securities temporarily impacting a sub-fund due to differences in transaction settlement cycles.

It is also specified that the Sub-Funds may derogate from the minimum limits and/or other investment restrictions applicable to them, including a total or partial liquidation of the underlying assets, in the event of (i) liquidation, (ii) merger with another sub-fund of this SICAV or another structure, and/or (iii) a change in the investment objectives and/or policy. This derogation must be concomitant with the aforementioned events and may be applicable up to five working days before the date defined for the said events.

The Investment Manager will rely upon market conditions and Qualion Finance S.A.'s decisions to select each security and actively decide upon the dynamic allocation within each class of assets.

The Investment Manager will invest in equities either directly or indirectly by purchasing shares or units of UCITS and UCIs investing in equities.

The Investment Manager will invest in bonds and debt instruments either directly or indirectly by purchasing shares or units of UCITS and UCIs investing in bonds.

In case of direct investment in bonds and debt instruments, either:

- such bonds and debt instruments will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody's) or;
- the issuer of the bonds and debt instruments will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody's).

Such credit rating will be appreciated continuously as from the date of the investment until the sale of the concerned bonds and debt instruments.

If a credit rating would fall below BB- (by S&P or Fitch) and/or Ba3 (by Moody's) after the date of the investment, the Investment Manager will in its entire discretion appreciate if the concerned bonds and debt instruments need to be sold. In any case, such bonds and debt instruments would be considered in the limit of the 15% of the hereafter paragraph.

The Sub-Fund will also be allowed to invest in bonds and debt instruments whose ratings are less than BB-/Ba3 and/or in non-rated bonds and debt instruments, for a maximum of 15% of its net assets.

The Sub-fund may invest up to 10% of its net assets in contingent convertible bonds ("CoCo bonds").

The Sub-Fund may also invest, up to 20% of its net assets, in Asset Backed Securities ("ABS"). The term ABS covers, among other securities, all securities resulting from so-called "securitisation" activities (cash or synthetic). Securitisation is the mechanism whereby specific financial assets are converted into securities that can be traded on the financial markets. There are three main types of ABS related to securitisation, corresponding to specific asset categories: Traditional Asset Backed Securities, Mortgage Backed Securities and Collateralized Debt Obligations. The Investment Manager will select ABS generating the most predictable and secure flows of cash. In addition, the term ABS also covers securities which are not resulting from securitisation activities, such as securities which are secured by assets, but whose cash flows do not necessarily derive from the cash flows of the underlying assets.

The Alternative Assets class allocation will exclusively be made of Alternative UCITS or UCIs fulfilling the criteria set out above.

The Sub-Fund may also invest in Structured Notes whose issuer will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody's) up to a maximum of 10% of its net asset. In case any structured note is downgraded below these ratings, the Investment Manager shall be authorized to keep the investment as long as this is not detrimental to best interest of shareholders and for a maximum of one months after the downgrade. For the sake of clarity, as

long as one of the rating agencies maintains its rating at a satisfactory grade as described above, the structured note concerned is still considered as compliant.

The Money Market Instruments class allocation will be obtained by investing in money market UCITS and UCIs or in time deposits with various maturities (less than one year).

The Sub-Fund may use derivatives to hedge risky positions and for the purpose of sound management within the limit set out under Part A chapter III.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees (including investment management and performance fees) charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investments in the units of such other UCITS and/or UCIs.

The Sub-Fund may hold ancillary liquid assets for a maximum of 20% of its net assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 2010 and its investment policy or for a period of time strictly necessary in case of unfavourable market conditions.

The Sub-Fund is intended for both retail investors and institutional investors. The Sub-Fund's investments will be done with a long-term perspective. The recommended investment timescale is approximately 5 years.

The investments underlying to the Sub-Fund do not take into account the EU criteria for environmental sustainable economic activities.

#### **- Investment Restrictions**

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set out under chapter III in Part A of the Prospectus.

The investment restrictions may not be complied with during a transitional period of 6 months from the date on which the Fund has been authorized, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

### **3. Risk Profile**

The profile of this sub-fund is appropriate for an investor with a conservative profile.

The Sub-Fund may be exposed to risks associated with securitisation instruments (Asset Backed Securities (ABS), Mortgage Backed Securities (MBS), etc.), for which the credit risk relates essentially to the quality of the underlying assets, which may vary in type (bank receivables, debt securities, etc.) and which may present a liquidity risk. These instruments derive from complex operations that may entail legal risks and other specific risks related to the characteristics of the underlying assets. Realisation of these risks may cause the sub-fund's net asset value to fall.

Structured notes such as credit-linked notes, equity-linked notes and similar notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. Investment in these instruments may cause a loss if the value of the underlying security decreases. There is also a risk that the note issuer will default. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of a structured note can be less than that for the underlying security, a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

There can be no assurance that the Sub-Fund's investment objective will be achieved.

Past performance is not an indicator for future results or performance.

#### **4. Distribution Policy**

The Sub-Fund's current policy regarding the appropriation of results is to capitalise income for Class AR and to distribute an amount to be determined by the Board of Directors for Class DR.

#### **5. Form of Shares**

Shares may be issued in registered or bearer dematerialized form, at the election of the investors.

#### **6. ISIN code**

The Sub-Fund offers the following share classes which differ according to the type of investors and/or their distribution policy and or their management fees:

AR	LU0508821286	Capitalisation Shares denominated in EUR and intended for all investors
DR	LU2838987928	Distribution Shares denominated in EUR and intended for all investors

#### **7. Minimum Investment**

For the time being, there are no minimum initial investment per investor, no minimum subsequent investment and no holding requirement applicable.

#### **8. Subscriptions and Subscription Fee**

The subscription price corresponds to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be increased by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 2 p.m., Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time limit will take effect on the next following Valuation Day.

Payment shall be received by the Fund with the Depositary no later than two Business Days following the relevant Valuation Day for the account of the Sub-Fund.

The corresponding Shares will be issued only upon receipt of the payment.

## **9. Redemptions**

In order to honor redemption requests of shareholders in the Sub-Fund, duly completed and signed redemption requests must be received by the Fund in Luxembourg no later than 2 p.m., Luxembourg time, on the respective Valuation Day. Requests received after this time limit will take effect on the next following Valuation Day.

The redemption price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day.

As from 8 November 2017, the redemption price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be reduced by a redemption fee of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the Sub-Fund.

The redemption price shall be paid three Business Days following the relevant Valuation Day.

## **10. Reference Currency**

The Net Asset Value per Share of the Sub-Fund will be calculated in EUR.

## **11. Frequency of the Net Asset Value (NAV) calculation and Valuation Day**

The Net Asset Value per Share of the Sub-Fund shall be determined on each Business Day (a "Valuation Day").

For each Valuation Day, there is a corresponding Net Asset Value which is dated that Valuation Day and calculated and published on the next Business Day following that Valuation Day ("NAV Calculation Day") on the basis of the prices on that Valuation Day.

In case a Valuation Day would fall on a legal or a bank holiday, the Net Asset Value per Share would be calculated on the next following Business Day.

## **12. Management Company Fees**

The Management Company is entitled to receive from the sub-fund the following fee calculated as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

They are currently paid at the following rate:

- 0.075% per annum on the average net assets up to EUR 50 million;
- 0.07% per annum on the average net assets from EUR 50 million to EUR 100 million; and
- 0.06% per annum on the average net assets above EUR 100 million.

With an annual minimum of EUR 15,000.-.

## **13. Investment Manager**

In accordance with an agreement entered into with the Management Company in the presence of the Fund, terminable by either party giving not less than three months' prior notice to the other parties, Qualion Finance S.A. is acting as Investment Manager.

Qualion Finance S.A. has been incorporated as a "Société Anonyme" under the laws of Luxembourg, with its registered office at 659, rue de Neudorf, L-2220 Luxembourg. It has been incorporated on 5 December 2008 with a capital of EUR 125,000.-. It is engaged in the management of securities and financial instruments on behalf of third parties, in the dealing of related orders on the financial markets, and in the financial advice and assistance to third parties in relation with the management and the dealing of securities and financial instruments.

## **14. Investment Management Fees**

An investment management fee is payable to the Investment Manager by the Management Company at the charge of the Sub-Fund, in remuneration for its services. Such fee is set at the annual rate of:

- 1.15% for the share class AR
- 1.15% for the share class DR

payable quarterly in arrears and calculated on the average of the net assets of the Sub-Fund for the relevant quarter.

## **15. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed on the Luxembourg Stock Exchange.

## **16. Publication of the NAV**

The Net Asset Value per Share and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

## **17. Taxation**

The Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. That portion of the Sub-Fund's assets which are invested in units or shares of undertakings for collective investment which are already subject to the *taxe d'abonnement* according to the applicable legal provisions in Luxembourg are not subject to this tax.



## **II. SUB-FUND “ALLROAD BOND”**

### **1. Name**

The name of the Sub-Fund is "Allroad Bond" (the “Sub-Fund”).

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

#### **- Investment Policy**

The objective of the Sub-Fund is to provide investors with capital growth over the long-term.

To achieve this objective, the Investment Manager will principally invest in Euro denominated government and corporate bonds and other fixed and floating rate securities.

There will be no restriction in terms of industrial or geographical diversification.

The Sub-Fund may make use of a variety of instruments and strategies including, but not limited to: fixed-rate, variable-rate or floating-rate bonds, zero-coupon bonds, convertible bonds or bonds with warrants, money market instruments, etc. Although investments may be made directly, the Sub-Fund may also use UCITS or UCIs (including those established as Exchange Traded Funds), within the meaning of Article 1, paragraph (2), sub-paragraphs a) and b), of Directive 2009/65/EC, that are regulated, open and diversified, and have a risk distribution comparable to that of Luxembourg UCIs governed by Part I of the Law of 2010.

The Sub-Fund may be invested or be exposed up to a maximum of 10% of its assets in (contingent) convertible bonds.

The Sub-Fund may also invest, up to 20% of its net assets, in Asset Backed Securities (“ABS”). The term ABS covers, among other securities, all securities resulting from so-called “securitisation” activities (cash or synthetic). Securitisation is the mechanism whereby specific financial assets are converted into securities that can be traded on the financial markets. There are three main types of ABS related to securitisation, corresponding to specific asset categories: Traditional Asset Backed Securities, Mortgage Backed Securities and Collateralized Debt Obligations. The Investment Manager will select ABS generating the most predictable and secure flows of cash. In addition, the term ABS also covers securities which are not resulting from securitisation activities, such as securities which are secured by assets, but whose cash flows do not necessarily derive from the cash flows of the underlying assets.

For investment purposes, to ensure that the portfolio is well managed and/or for hedging purposes, the Sub-Fund may use financial derivative instruments and/or financial techniques and instruments in accordance with the conditions and limits specified in Part A Chapters II and III. The Sub-Fund will make use of financial derivative instruments in a manner not to materially alter the Sub-Fund’s risk profile over what would be the case if financial derivative instruments were not used.

Derivative financial instruments that may be used include, but are not limited to: forward exchange contracts, warrants, futures, options, swaps (including Interest Rate Swaps and Credit

Default Swaps) and other OTC derivative instruments. There will be no geographic or other restriction with respect to the selection of the underlying assets of those financial derivative instruments, provided the underlying assets consist of instruments covered by Article 41 (1) of the Law of 2010, financial indices, interest rates, foreign exchange rates or currencies and that they are fitting with the investment policy of the Sub-Fund.

Credit default swaps will not represent more than 20% of the assets of the sub-fund. Credit default swaps may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on credit default swaps) can be significantly more volatile.

Warrants will not represent more than 20% of the assets of the sub-fund. The values of the warrants usually fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

The Sub-Fund may also invest in Structured Notes whose issuer will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody's), up to a maximum of 10% of its net asset. In case any structured note is downgraded below these ratings, the Investment Manager shall be authorized to keep the investment as long as this is not detrimental to best interest of shareholders and for a maximum of one months after the downgrade. For the sake of clarity, as long as one of the rating agencies maintains its rating at a satisfactory grade as described above, the structured note concerned is still considered as compliant.

Nevertheless, the sub-fund shall ensure that its global exposure relating to financial derivative instruments does not exceed 30% of its total net assets. The sub-fund's global exposure shall consequently not exceed 130% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowings, so that the sub-fund's overall risk exposure may not exceed 140% of its total net assets in any circumstances.

The Investment Manager (Qualion Finance S.A.) will rely upon market conditions and decisions to select each security and actively decide upon the dynamic allocation within each class of assets.

Under normal conditions, the Investment Manager will adhere to the following portfolio composition:

- Bonds: 0-100%
- Money Market Instruments: 0-100%
- Alternative Assets: 0-10%
- Structured Notes: 0-10%

The use of these limits indicates a minimum threshold defined as an objective by the SICAV's Board of Directors and not as a constraint. The Sub-Fund may therefore temporarily depart from these minimum limits, for example: (i) to take account of particular market situations, (ii) as a result of available liquidity pending investment opportunities, or (iii) in the event of capital movements (subscriptions or redemptions) followed by purchases or sales of securities temporarily impacting a sub-fund due to differences in transaction settlement cycles.

It is also specified that the Sub-Funds of the SICAV may derogate from the minimum limits and/or other investment restrictions applicable to them, including a total or partial liquidation of the underlying assets, in the event of (i) liquidation, (ii) merger with another sub-fund of this SICAV or another structure, and/or (iii) a change in the investment objectives and/or policy. This derogation must be concomitant with the aforementioned events and may be applicable up to five working days before the date defined for the said events.

The Sub-Fund may not hold more than 10% of its net assets in equity resulting from a conversion and the holding period will be limited to six months. There will be no direct investment in equity.

**- The Bond class allocation:**

It will be invested in bonds and debt instruments either directly or indirectly.

In case of direct investment in bonds and debt instruments, either:

- such bonds and debt instruments will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody's) or;
- the issuer of the bonds and debt instruments will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody's).

Such credit rating will be appreciated continuously as from the date of the investment until the sale of the concerned bonds and debt instruments.

If a credit rating would fall below BB- (by S&P or Fitch) and/or Ba3 (by Moody's) after the date of the investment, the Investment Manager will in its entire discretion appreciate if the concerned bonds and debt instruments need to be sold. In any case, such bonds and debt instruments would be considered in the limit of the 20% of the hereafter paragraph.

However, the Sub-Fund will be allowed to invest in bonds and debt instruments whose ratings are less than BB-/Ba3 and/or in non-rated bonds and debt instruments, for a maximum of 20% of its net assets.

**- The Money Market Instruments class allocation:**

Subject to the investment restrictions specified in Part A of the Prospectus under chapter II, it will be obtained by investing in money market or treasury investment funds, in time deposits with various maturities (but less than one year), in cash and/or in money market instruments.

**- The Alternative Assets class allocation:**

It will exclusively be composed of shares or units of UCITS or UCIs fulfilling the criteria set out above.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees (including investment

management and performance fees) charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investments in the units of such other UCITS and/or UCIs.

#### **- Investment Restrictions**

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set out under chapter III in Part A of the Prospectus.

The Sub-Fund may hold ancillary liquid assets for a maximum of 20% of its net assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 2010 and its investment policy or for a period of time strictly necessary in case of unfavourable market conditions.

The investment restrictions may not be complied with during a transitional period of 6 months from the date on which the Fund has been authorized, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

The investments underlying to the Sub-Fund do not take into account the EU criteria for environmental sustainable economic activities.

### **3. Risk Profile**

The profile of this sub-fund is appropriate for an investor with a defensive profile.

The Sub-Fund is intended for both retail and institutional investors. The Sub-Fund's investments will be done with a long-term perspective. The recommended investment timescale is approximately 5 years.

The Sub-Fund may be exposed to risks associated with securitisation instruments (Asset Backed Securities (ABS), Mortgage Backed Securities (MBS), etc.), for which the credit risk relates essentially to the quality of the underlying assets, which may vary in type (bank receivables, debt securities, etc.) and which may present a liquidity risk. These instruments derive from complex operations that may entail legal risks and other specific risks related to the characteristics of the underlying assets. Realisation of these risks may cause the sub-fund's net asset value to fall.

There can be no assurance that the Sub-Fund's investment objective will be achieved.

Past performance is not an indicator for future results or performance.

## Risk related to investments in (contingent) convertible bonds

A convertible bond generally entitles the holder to receive interest paid or accrued on bond or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible bonds generally have characteristics similar to both debt and equity securities. The value of convertible bonds tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. Convertible bonds are usually subordinated to comparable nonconvertible bonds. Convertible bonds generally do not participate directly in any dividend increases or decreases of the underlying securities, although the market prices of convertible bonds may be affected by any dividend changes or other changes in the underlying securities.

Investment in contingent convertible bonds may result in material losses to the Fund based on certain trigger events. The existence of these trigger events creates a different type of risk from traditional bonds and may more likely result in a partial or total loss of value or alternatively they may be converted into shares of the issuing company which may also have suffered a loss in value. Such trigger events may include a reduction in the issuers' capital ratio, determination by a regulator or the injection of capital by a national authority. Investors should be aware that in the event of a financial crisis that action by regulators or the companies themselves may cause concentrations of these trigger events across the Fund to the extent it is invested in such bonds.

Some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual contingent convertible bonds will be called on call date. Some contingent convertible bonds are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

### **4. Distribution Policy**

The Sub-Fund's current policy regarding the appropriation of results is to capitalise income for Class AR and to distribute an amount to be determined by the Board of Directors for Class DR.

### **5. Form and Classes of Shares**

Shares may be issued in registered or bearer dematerialized form, at the election of the investors.

### **6. ISIN codes**

The Sub-Fund offers the following share classes which differ according to the type of investors and/or their distribution policy and or their management fees:

AR	LU0952275542	Capitalisation Shares denominated in EUR and intended for all investors
DR	LU2838988140	Distribution Shares denominated in EUR and intended for all investors

## **7. Minimum Investment and Holding**

The minimum subscription (whether during or after the Initial Subscription Period) and holding amount per investor is at least one (1) Share.

The Board of Directors may in its discretion waive this minimum subscription and / or holding amount.

## **8. Subscriptions and Subscription Fee**

The subscription price corresponds to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be increased by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 2 p.m., Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time limit will take effect on the next following Valuation Day.

Payment shall be received by the Fund with the Depositary no later than two Business Days following the relevant Valuation Day for the account of the Fund referencing the Sub-Fund.

The corresponding Shares will be issued only upon receipt of the payment.

## **9. Redemptions and Redemption Fee**

The redemption price corresponds to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be reduced by a redemption fee of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the Sub-Fund.

In order to honor redemption requests of shareholders in the Sub-Fund, duly completed and signed redemption requests must be received by the Fund in Luxembourg no later than 2 p.m., Luxembourg time, on the respective Valuation Day. Requests received after this time limit will take effect on the next following Valuation Day.

The redemption price shall be paid three Business Days following the relevant Valuation Day.

## **10. Reference Currency**

The Net Asset Value per Share of the Sub-Fund will be calculated in EUR.

## **11. Frequency of the Net Asset Value (NAV) calculation and Valuation Day**

The Net Asset Value per Share of the Sub-Fund shall be determined on each Business Day (a "Valuation Day").

For each Valuation Day, there is a corresponding Net Asset Value which is dated that Valuation Day and calculated and published on the next Business Day following that Valuation Day (“NAV Calculation Day”) on the basis of the prices on that Valuation Day.

In case a Valuation Day would fall on a legal or a bank holiday, the Net Asset Value per Share would be calculated on the next following Business Day.

## **12. Management Company Fees**

The Management Company is entitled to receive from the Sub-Fund the following fee calculated as a percentage per annum of the average quarterly net asset value thereof during the relevant quarter and payable quarterly in arrears.

They are currently paid at the following rate:

- 0.075% per annum on the average net assets up to EUR 50 million;
- 0.07% per annum on the average net assets from EUR 50 million to EUR 100 million; and
- 0.06% per annum on the average net assets above EUR 100 million.

With an annual minimum of EUR 15,000.-.

## **13. Investment Manager**

In accordance with an agreement entered into with the Management Company in the presence of the Fund, terminable by either party giving not less than three months' prior notice to the other parties, Qualion Finance S.A. is acting as Investment Manager.

Qualion Finance S.A. has been incorporated as a “Société Anonyme” under the laws of Luxembourg, with its registered office at 659, rue de Neudorf, L-2220 Luxembourg. It has been incorporated on 5 December 2008 with a capital of EUR 125,000.-. It is engaged in the management of securities and financial instruments on behalf of third parties, in the dealing of related orders on the financial markets, and in the financial advice and assistance to third parties in relation with the management and the dealing of securities and financial instruments.

## **14. Investment Management Fees**

An investment management fee is payable to the Investment Manager by the Management Company at the charge of the Sub-Fund, in remuneration for its services. Such fee is set at the annual rate of:

0,50% for the share class AR  
0.50% for the share class DR

payable quarterly in arrears and calculated on the average of the net assets of the Sub-Fund for the relevant quarter.

## **15. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed on the Luxembourg Stock Exchange.

#### **16. Publication of the NAV**

The Net Asset Value per Share and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

#### **17. Taxation**

The Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. This tax is reduced to 0,01% per annum of its Net Asset Value relating to the "Institutional" Classes of Shares reserved to institutional investors.

That portion of the Sub-Fund's assets which are invested in units or shares of undertakings for collective investment which are already subject to the *taxe d'abonnement* according to the applicable legal provisions in Luxembourg are not subject to this tax.



### **III. SUB-FUND “ALLROAD EQUITY”**

#### **1. Name**

The name of the Sub-Fund is "Allroad Equity" (the “Sub-Fund”).

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

The Sub-Fund’s long term objective is capital growth.

The objective of the Sub-Fund is to offer its investors a capital gain, predominantly through investment in equities. The composition of the sub-fund’s portfolio takes into account geographical risk diversification requirements.

The Sub-Fund may allocate up to:

- 100% - with a minimum of 51% - of its net assets in listed equities of large capitalisation companies that are domiciled in, or carrying out the main part of their economic activity in the European Union, United Kingdom, Switzerland or United State of America ; and
- Up to 49% of its net assets in listed equities worldwide, including emerging markets.

The use of these limits indicates a minimum threshold defined as an objective by the SICAV's board of directors and not as a constraint. The Sub-Fund may therefore temporarily depart from these minimum limits, for example: (i) to take account of particular market situations, (ii) as a result of available liquidity pending investment opportunities, or (iii) in the event of capital movements (subscriptions or redemptions) followed by purchases or sales of securities temporarily impacting a sub-fund due to differences in transaction settlement cycles.

It is also specified that the Sub-Funds may derogate from the minimum limits and/or other investment restrictions applicable to them, including a total or partial liquidation of the underlying assets, in the event of (i) liquidation, (ii) merger with another sub-fund of this SICAV or another structure, and/or (iii) a change in the investment objectives and/or policy. This derogation must be concomitant with the aforementioned events and may be applicable up to five working days before the date defined for the said events.

The allocation of the portfolio between the different, sectors and/or geographical exposures may vary according to the Investment Manager’s expectations.

The Sub-Fund may also invest in depositary receipts (such as ADR, GDR, EDR which comply with the provisions of art. 41(1) a) to e) of the Law of 2010) and in eligible close ended real estate investments trusts (REITs) according to the Law of 2010.

The Sub-Fund will not invest nor be directly exposed to China, Russia and India markets. It can however gain exposure to these markets through depositary receipts (such as ADR, GDR, EDR).

The Sub-Fund may invest a maximum of 10% of its assets in units or shares of other UCITS and/or UCIs in order to be eligible for investment by coordinated UCITS, within the meaning of Directive 2009/65/EC.

Financial derivative instruments are an integral part of the investment strategy; as such, the Investment Manager may use all types of derivatives products traded on a regulated market, for investment or hedging purposes.

The Sub-Fund will not invest in Asset Backed Securities and Mortgage Backed Securities.

The Sub-Fund may hold ancillary liquid assets for a maximum of 20% of its net assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 2010 and its investment policy or for a period of time strictly necessary in case of unfavourable market conditions.

In addition, if justified by market conditions and/ or to manage liquidities in excess, the Sub-Fund may also invest up to 20% of its net assets in time deposits, interest rate or money market products, such as bonds, regularly traded money market instruments that mature within 12 months, and money market UCITS and UCIs. However, the Sub-Fund will avoid any excessive concentration of its assets in a single other money market eligible UCITS or UCI and will comply with the investment restrictions and risk allocation rules described in the Part A of the Prospectus. There are no restrictions regarding the currency in which these securities are issued.

#### Risk Profile:

The main investment risks the Sub-Fund is exposed to are:

- equity risk
- credit risk
- liquidity risk
- inflation risk
- taxation risk
- counterparty risk
- currency risk
- derivatives risk
- emerging markets risk
- risk related to investments in other UCITS and UCIs
- operational & custody risk

No guarantee can be given that the Sub-Fund objective will be achieved and that investors will recover the amount of their initial investment.

#### Investment Restrictions

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set out under chapter III in Part A of the Prospectus.

The investment restrictions may not be complied with during a transitional period of 6 months from the date on which the Fund has been authorized, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

The investments underlying to the Sub-Fund do not take into account the EU criteria for environmental sustainable economic activities.

### **3. Risk Profile**

The profile of this sub-fund is appropriate for an investor with an aggressive profile.

The Sub-Fund is intended for both retail and institutional investors. The Sub-Fund's investments will be done with a long-term perspective. The recommended investment timescale is approximately 5 years.

There can be no assurance that the Sub-Fund's investment objective will be achieved.

Past performance is not an indicator for future results or performance.

### **4. Distribution Policy**

The Sub-Fund's current policy regarding the appropriation of results is to capitalise income for Classes AR, AI, and AP and to distribute a fixed amount to be determined by the Board of Directors for Class DR, DI and DP.

### **5. Form and Classes of Shares**

The Sub-Fund offers the following share classes which differ according to the type of investors and/or their distribution policy and or their management fees:

Class AR	Capitalisation Shares denominated in EUR and intended for retail investors
Class AI	Capitalisation Shares denominated in EUR and intended for institutional investors
Class AP	Capitalisation Shares denominated in EUR and intended for investors expressly accepted by the Investment Manager
Class DR	Distribution Shares denominated in EUR and intended for retail investors
Class DI	Distribution Shares denominated in EUR and intended for institutional investors
Class DP	Distribution Shares denominated in EUR and intended for investors expressly accepted by the Investment Manager

### **6. ISIN codes**

Class AR	LU1692844407
Class AI	LU1692844589
Class AP	LU1692844662
Class DR	LU1692844829

Class DI	LU1692845040
Class DP	LU1692846360

## **7. Minimum Investment and Holding**

The minimum initial investment and holding requirement per investor in the Classes are the following:

Class AR	NA
Class AI	NA
Class AP	NA
Class DR	NA
Class DI	NA
Class DP	NA

The Board of Directors may decide, upon recommendation of the Investment Manager as the case may be, to accept a lesser amount, or even to waive the minimum.

No minimum is required for additional subscriptions from existing shareholders.

## **8. Subscriptions and Subscription Fee**

The subscription price corresponds to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be increased by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 4 p.m., Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time limit will take effect on the next following Valuation Day.

Payment shall be received by the Fund with the Depositary no later than two Business Days following the relevant Valuation Day for the account of the Sub-Fund and concerned Class of Share.

The corresponding Shares will be issued only upon receipt of the payment.

## **9. Redemptions and Redemption Fee**

The redemption price corresponds to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be reduced by a redemption fee of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the Sub-Fund.

In order to honor redemption requests of shareholders in the Sub-Fund, duly completed and signed redemption requests must be received by the Fund in Luxembourg no later than 4 p.m.,

Luxembourg time, on the respective Valuation Day. Requests received after this time limit will take effect on the next following Valuation Day.

The redemption price shall be paid three Business Days following the relevant Valuation Day.

#### **10. Reference Currency**

The Net Asset Value per Share of the Sub-Fund will be calculated in EUR.

#### **11. Frequency of the Net Asset Value (NAV) calculation and Valuation Day**

For each Business Day (“Valuation Day”), there is a corresponding Net Asset Value which is dated that Valuation Day and calculated and published on the next Business Day following that Valuation Day (“NAV Calculation Day”).

In case a Valuation Day would fall on a legal or a bank holiday, the Net Asset Value per Share would be calculated on the next following Business Day.

#### **12. Management Company Fees**

The Management Company is entitled to receive from the Sub-Fund the following fee calculated as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

They are currently paid at the following rate:

- 0.075% per annum on the average net assets up to EUR 50 million;
- 0.07% per annum on the average net assets from EUR 50 million to EUR 100 million; and
- 0.06% per annum on the average net assets above EUR 100 million.

With an annual minimum of EUR 15,000.-.

#### **13. Investment Manager**

In accordance with an agreement entered into with the Management Company in the presence of the Fund, terminable by either party giving not less than three months' prior notice to the other parties, Qualion Finance S.A. is acting as Investment Manager.

Qualion Finance S.A. has been incorporated as a “Société Anonyme” under the laws of Luxembourg, with its registered office at 659, rue de Neudorf, L-2220 Luxembourg. It has been incorporated on 5 December 2008 with a capital of EUR 125,000.-. It is engaged in the management of securities and financial instruments on behalf of third parties, in the dealing of related orders on the financial markets, and in the financial advice and assistance to third parties in relation with the management and the dealing of securities and financial instruments.

#### **14. Investment Management Fees**

An investment management fee is payable to the Investment Manager by the Management Company at the charge of the Sub-Fund, in remuneration for its services. Such fee is set at the annual rate of :

- maximum 1,40% for Classes of Shares AR and DR;
- maximum 0,75% for Classes of Shares AI and DI;
- 0,00% for Classes of Shares AP and DP;

per annum, payable quarterly in arrears and calculated on the average of the net assets of the Sub-Fund for the relevant quarter.

#### **15. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed on the Luxembourg Stock Exchange.

#### **16. Publication of the NAV**

The Net Asset Value per Share and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

#### **17. Taxation**

The Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. This tax is reduced to 0,01% per annum of its Net Asset Value relating to the "Institutional" Classes of Shares reserved to institutional investors.

That portion of the Sub-Fund's assets which are invested in units or shares of undertakings for collective investment which are already subject to the *taxe d'abonnement* according to the applicable legal provisions in Luxembourg are not subject to this tax.

#### **IV. SUB-FUND “ALLROAD BALANCED”**

##### **1. Name**

The name of the Sub-Fund is "Allroad Balanced" (the “**Sub-Fund**”).

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

The objective of the Sub-Fund is to seek capital appreciation over a long-term period through a balanced portfolio composition, investing mainly in equity and bonds, as set out hereunder.

To achieve this objective, the Investment Manager will invest mainly in stocks, fixed-rate, variable-rate or floating-rate bonds, convertible bonds or bonds with warrants. Although investments may be made directly, the Sub-Fund may also use UCITS or UCIs (including those established as Exchange Traded Funds), within the meaning of Article 1, paragraph (2), subparagraphs a) and b), of Directive 2009/65/EC, that are regulated, open and diversified, and have a risk distribution comparable to that of Luxembourg UCIs governed by Part I of the Law of 2010.

There will be no restriction in terms of industrial or geographical diversification.

Under normal conditions, the Investment Manager will adhere to the following portfolio composition:

- Equities: 35-65%
- Bonds: 35-65%
- Alternative Assets: 0-10%
- Structured Notes: 0-10%
- Money Market Instruments: 0-10%

The Investment Manager will rely upon market conditions and Qualion Finance S.A.’s decisions to select each security and actively decide upon the dynamic allocation within each class of assets.

The Investment Manager will invest in equities either directly or indirectly by purchasing shares or units of UCITS and UCIs investing in equities.

The Investment Manager will invest in bonds and debt instruments either directly or indirectly by purchasing shares or units of UCITS and UCIs investing in bonds.

In case of direct investment in bonds and debt instruments, either:

- such bonds and debt instruments will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody’s) or;
- the issuer of the bonds and debt instruments will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody’s).

Such credit rating will be appreciated continuously as from the date of the investment until the sale of the concerned bonds and debt instruments.

If a credit rating would fall below BB- (by S&P or Fitch) and/or Ba3 (by Moody's) after the date of the investment, the Investment Manager will in its entire discretion appreciate if the concerned bonds and debt instruments need to be sold. In any case, such bonds and debt instruments would be considered in the limit of the 15% of the hereafter paragraph.

The Sub-Fund will also be allowed to invest in bonds and debt instruments whose ratings are less than BB-/Ba3 and/or in non-rated bonds and debt instruments, for a maximum of 15% of its net assets.

The Sub-fund may invest up to 10% of its net assets in contingent convertible bonds ("CoCo bonds").

The Sub-Fund may also invest, up to 20% of its net assets, in Asset Backed Securities ("ABS"). The term ABS covers, among other securities, all securities resulting from so-called "securitisation" activities (cash or synthetic). Securitisation is the mechanism whereby specific financial assets are converted into securities that can be traded on the financial markets. There are three main types of ABS related to securitisation, corresponding to specific asset categories: Traditional Asset Backed Securities, Mortgage Backed Securities and Collateralized Debt Obligations. The Investment Manager will select ABS generating the most predictable and secure flows of cash. In addition, the term ABS also covers securities which are not resulting from securitisation activities, such as securities which are secured by assets, but whose cash flows do not necessarily derive from the cash flows of the underlying assets.

The Alternative Assets class allocation will exclusively be made of Alternative UCITS or UCIs fulfilling the criteria set out above.

The Sub-Fund may also invest in Structured Notes whose issuer will have a credit rating of at least BB- (by S&P or Fitch) and/or Ba3 (by Moody's), up to a maximum of 10% of its net asset. In case any structured note is downgraded below these ratings, the Investment Manager shall be authorized to keep the investment as long as this is not detrimental to best interest of shareholders and for a maximum of one months after the downgrade. For the sake of clarity, as long as one of the rating agencies maintains its rating at a satisfactory grade as described above, the structured note concerned is still considered as compliant.

The Money Market Instruments class allocation will be obtained by investing in money market UCITS and UCIs or in time deposits with various maturities (less than one year).

The Sub-Fund may use derivatives to hedge risky positions and for the purpose of sound management within the limit set out under Part A chapter III.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees (including investment management and performance fees) charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or



redemption fees on account of the Sub-Fund's investments in the units of such other UCITS and/or UCIs.

The Sub-Fund may hold ancillary liquid assets for a maximum of 20% of its net assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 2010 and its investment policy or for a period of time strictly necessary in case of unfavourable market conditions.

The Sub-Fund is intended for both retail investors and institutional investors. The Sub-Fund's investments will be done with a long-term perspective. The recommended investment timescale is approximately 5 years.

The investments underlying to the Sub-Fund do not take into account the EU criteria for environmental sustainable economic activities.

### **3. Investment Restrictions**

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set out under chapter III in Part A of the Prospectus.

The investment restrictions may not be complied with during a transitional period of 6 months from the date on which the Fund has been authorized, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

### **4. Risk Profile**

The profile of the Sub-Fund is appropriate for an investor who seeks a balanced allocation as described in the investment policy and with a medium risk profile.

The Sub-Fund may be exposed to risks associated with securitisation instruments (Asset Backed Securities (ABS), Mortgage Backed Securities (MBS), etc.), for which the credit risk relates essentially to the quality of the underlying assets, which may vary in type (bank receivables, debt securities, etc.) and which may present a liquidity risk. These instruments derive from complex operations that may entail legal risks and other specific risks related to the characteristics of the underlying assets. Realisation of these risks may cause the sub-fund's net asset value to fall.

Structured notes such as credit-linked notes, equity-linked notes and similar notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. Investment in these instruments may cause a loss if the value of the underlying security decreases. There is also a risk that the note issuer will default. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of a structured note can be less than that for the underlying security, a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

There can be no assurance that the Sub-Fund's investment objective will be achieved.

Past performance is not an indicator for future results or performance.

## **5. Distribution Policy**

The Sub-Fund's current policy regarding the appropriation of results is to capitalise income for Class AR and to distribute an amount to be determined by the Board of Directors for Class DR.

## **6. Form of Shares**

Shares are issued in registered form only.

## **7. Share classes and ISIN code**

The Sub-Fund offers the following share classes which differ according to the type of investors and/or their distribution policy and or their management fees:

AR	LU2595720298	Capitalisation Shares denominated in EUR and intended for all investors
DR	LU2838988066	Distribution Shares denominated in EUR and intended for all investors

## **8. Minimum Investment**

For the time being, there are no minimum initial investment per investor, no minimum subsequent investment and no holding requirement applicable.

## **9. Subscriptions and Subscription Fee**

The subscription price corresponds to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be increased by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 2 p.m., Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time limit will take effect on the next following Valuation Day.

Payment shall be received by the Fund with the Depositary no later than two Business Days following the relevant Valuation Day for the account of the Sub-Fund and concerned Class of Share.

The corresponding Shares will be issued only upon receipt of the payment.

## **10. Redemptions**

In order to honor redemption requests of shareholders in the Sub-Fund, duly completed and signed redemption requests must be received by the Fund in Luxembourg no later than 2 p.m., Luxembourg time, on the respective Valuation Day. Requests received after this time limit will take effect on the next following Valuation Day.

The redemption price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day.

The redemption price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be reduced by a redemption fee of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the Sub-Fund.

The redemption price shall be paid three Business Days following the relevant Valuation Day.

### **11. Reference Currency**

The Net Asset Value per Share of the Sub-Fund will be calculated in EUR.

### **12. Frequency of the Net Asset Value (NAV) calculation and Valuation Day**

The Net Asset Value per Share of the Sub-Fund shall be determined on each Business Day (a "Valuation Day").

For each Valuation Day, there is a corresponding Net Asset Value which is dated that Valuation Day and calculated and published on the next Business Day following that Valuation Day ("NAV Calculation Day") on the basis of the prices on that Valuation Day.

In case a Valuation Day would fall on a legal or a bank holiday, the Net Asset Value per Share would be calculated on the next following Business Day.

### **13. Management Company Fees**

The Management Company is entitled to receive **from the sub-fund** the following fee calculated as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

They are currently paid at the following rate:

- 0.075% per annum on the average net assets up to EUR 50 million;
- 0.07% per annum on the average net assets from EUR 50 million to EUR 100 million; and
- 0.06% per annum on the average net assets above EUR 100 million.

With an annual minimum of **EUR 15,000.-**.

### **14. Investment Manager**

In accordance with an agreement entered into with the Management Company in the presence of the Fund, terminable by either party giving not less than three months' prior notice to the other parties, Qualion Finance S.A. is acting as Investment Manager.

Qualion Finance S.A. has been incorporated as a "Société Anonyme" under the laws of Luxembourg, with its registered office at 659, rue de Neudorf, L-2220 Luxembourg. It has been incorporated on 5 December 2008 with a capital of EUR 125,000.-. It is engaged in the management of securities and financial instruments on behalf of third parties, in the dealing of related orders on the financial markets, and in the financial advice and assistance to third parties in relation with the management and the dealing of securities and financial instruments.

#### **15. Investment Management Fees**

An investment management fee is payable to the Investment Manager by the Management Company at the charge of the Sub-Fund, in remuneration for its services. Such fee is set at the annual rate of:

- 1.15% for the share class AR
- 1.15% for the share class DR

payable quarterly in arrears and calculated on the average of the net assets of the Sub-Fund for the relevant quarter.

#### **16. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed on the Luxembourg Stock Exchange.

#### **17. Publication of the NAV**

The Net Asset Value per Share and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

#### **18. Taxation**

The Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (taxe d'abonnement), such tax being payable quarterly on the basis of the value of the aggregate net assets of the SubFund at the end of the relevant calendar quarter. That portion of the Sub-Fund's assets which are invested in units or shares of undertakings for collective investment which are already subject to the taxe d'abonnement according to the applicable legal provisions in Luxembourg are not subject to this tax.

## V. SUB-FUND "ALLROAD RESPONSIBLE INVESTMENT"

**INFORMATION ON THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THIS FUND IS AVAILABLE  
ON PAGE 92 OF THIS PROSPECTUS**

### 1. Name

The name of the Sub-Fund is "Allroad Responsible Investment" (the "**Sub-Fund**").

### 2. Specific Investment Policy and Investment Restrictions Investment Policy

The objective of the Sub-Fund is to seek capital appreciation over a long-term period through a balanced portfolio composition, being exposed mainly in equity and bonds segments, as set out hereunder, through UCITS funds and ETFs at least classified as Article 8 or 9 under the (EU) 2019/2088 regulation (the "SFDR Regulation").

To achieve this objective, the Investment Manager will mainly be exposed in stocks, fixed-rate, variable-rate or floating-rate bonds, convertible bonds or bonds with warrants throughout an exclusive investment in UCITS or UCIs (including those established as Exchange Traded Funds), within the meaning of Article 1, paragraph (2), subparagraphs a) and b), of Directive 2009/65/EC, that are regulated, open and diversified, and have a risk distribution comparable to that of Luxembourg UCIs governed by Part I of the Law of 2010.

There will be no restriction in terms of industrial or geographical diversification.

Under normal conditions, the Investment Manager will adhere to the following portfolio composition:

- Equities: 35-65%
- Bonds: 35-65%
- Money Market Instruments: 0-10%

For the sake of clarity, money market instruments are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The Investment Manager will rely upon market conditions to select each security and actively decide upon the dynamic allocation within each class of assets.

The Sub-Fund may use derivatives for the hedging purpose within the limit set out under Part A chapter III.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees (including investment management and performance fees) charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investments in the units of such other UCITS and/or UCIs.

The Sub-Fund may obtain an indirect exposure to emerging markets, up to 10% of its net assets.

The Sub-Fund may hold ancillary liquid assets for a maximum of 20% of its net assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 2010 and its investment policy or for a period of time strictly necessary in case of unfavourable market conditions.

The Sub-Fund is intended for both retail investors and institutional investors. The Sub-Fund's investments will be done with a long-term perspective. The recommended investment timescale is approximately 5 years.

The Sub-Fund is categorised as "Article 8" under the SFDR Regulation. It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments. As such, it falls into the category of Article 8 under the SFDR Regulation.

The principle of "not causing significant harm" referred to in Regulation (EU) 2020/852 (the "Taxonomy Regulation") applies only to the underlying investments of the Sub-Fund, which take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion within this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **3. Investment Restrictions**

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set out under chapter III in Part A of the Prospectus.

The investment restrictions may not be complied with during a transitional period of 6 months from the date on which the Fund has been authorized, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

### **4. Risk Profile**

The profile of the Sub-Fund is appropriate for an investor who seeks a balanced allocation as described in the investment policy and with a medium risk profile.

The main investment risks the Sub-Fund is exposed to are:

- equity risk
- credit risk

- liquidity risk
- inflation risk
- taxation risk
- counterparty risk
- currency risk
- derivatives risk
- emerging markets risk
- risk related to investments in other UCITS and UCIs
- operational & custody risk
- risk related to investments in convertible bonds

There can be no assurance that the Sub-Fund's investment objective will be achieved.

Past performance is not an indicator for future results or performance.

## **5. Distribution Policy**

The Sub-Fund's current policy regarding the appropriation of results is to capitalise income for Classes AR and AI and to distribute a fixed amount to be determined by the Board of Directors for Class DR and DI.

## **6. Form of Shares**

Shares are issued in registered form only.

## **7. Share classes and ISIN code**

The Sub-Fund offers the following share classes which differ according to the type of investors and/or their distribution policy and or their management fees:

Class AR	LU2733089978	Capitalisation Shares denominated in EUR and intended for retail investors
Class AI	LU2733090042	Capitalisation Shares denominated in EUR and intended for institutional investors
Class DR	LU2733090125	Distribution Shares denominated in EUR and intended for retail investors
Class DI	LU2733090398	Distribution Shares denominated in EUR and intended for institutional investors

## **8. Minimum Investment**

For the time being, there are no minimum initial investment per investor, no minimum subsequent investment and no holding requirement applicable.

## **9. Subscriptions and Subscription Fee**

The subscription price corresponds to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be increased by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 2 p.m., Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time limit will take effect on the next following Valuation Day.

Payment shall be received by the Fund with the Depositary no later than two Business Days following the relevant Valuation Day for the account of the Sub-Fund and concerned Class of Share.

The corresponding Shares will be issued only upon receipt of the payment.

#### **10. Redemptions**

In order to honor redemption requests of shareholders in the Sub-Fund, duly completed and signed redemption requests must be received by the Fund in Luxembourg no later than 2 p.m., Luxembourg time, on the respective Valuation Day. Requests received after this time limit will take effect on the next following Valuation Day.

The redemption price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day.

The redemption price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day which may be reduced by a redemption fee of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the Sub-Fund.

The redemption price shall be paid three Business Days following the relevant Valuation Day.

#### **11. Reference Currency**

The Net Asset Value per Share of the Sub-Fund will be calculated in EUR.

#### **12. Frequency of the Net Asset Value (NAV) calculation and Valuation Day**

The Net Asset Value per Share of the Sub-Fund shall be determined each Business Day (a "Valuation Day").

For each Valuation Day, there is a corresponding Net Asset Value which is dated that Valuation Day and calculated and published on the next Business Day following that Valuation Day ("NAV Calculation Day") on the basis of the prices on that Valuation Day.

In case a Valuation Day would fall on a legal or a bank holiday, the Net Asset Value per Share would be calculated on the next following Business Day.



### **13. Fees of the Management Company**

The Management Company is entitled to receive **from the sub-fund** the following fee calculated as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

They are currently paid at the following rate:

- 0.075% per annum on the average net assets up to EUR 50 million;
- 0.07% per annum on the average net assets from EUR 50 million to EUR 100 million; and
- 0.06% per annum on the average net assets above EUR 100 million.

With an annual minimum of **EUR 15,000.-**.

### **14. Investment Manager**

In accordance with an agreement entered into with the Management Company in the presence of the Fund, terminable by either party giving not less than three months' prior notice to the other parties, Qualion Finance S.A. is acting as Investment Manager.

Qualion Finance S.A. has been incorporated as a "Société Anonyme" under the laws of Luxembourg, with its registered office at 659, rue de Neudorf, L-2220 Luxembourg. It has been incorporated on 5 December 2008 with a capital of EUR 125,000.-. It is engaged in the management of securities and financial instruments on behalf of third parties, in the dealing of related orders on the financial markets, and in the financial advice and assistance to third parties in relation with the management and the dealing of securities and financial instruments.

### **15. Investment Management Fees**

An investment management fee is payable to the Investment Manager by the Management Company at the charge of the Sub-Fund, in remuneration for its services. Such fee, payable quarterly in arrears and calculated on the average of the net assets of the Sub-Fund for the relevant quarter, is set at the annual rate of:

- maximum 1,15% for Classes of Shares AR
- maximum 0,70% for Classes of Shares AI
- maximum 1,15% for Classes of Shares DR
- maximum 0,70% for Classes of Shares DI

### **16. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed on the Luxembourg Stock Exchange.

### **17. Publication of the NAV**

The Net Asset Value per Share and the issue and redemption prices of the Shares will be available at the registered office of the Fund.

## **18. Taxation**

The Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (taxe d'abonnement) for the share class AR and DR, and 0.01% for the share classes AI and DI, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. That portion of the Sub-Fund's assets which are invested in units or shares of undertakings for collective investment which are already subject to the taxe d'abonnement according to the applicable legal provisions in Luxembourg are not subject to this tax.

## DOCUMENTS AVAILABLE

In addition to the copies of the Prospectus, the KID and latest published annual and semi-annual reports, copies of the subscription form, the Articles of Incorporation of the Fund may be obtained, free of charge, during usual business hours on any Business Day in Luxembourg at the registered office of the Fund.

Copies of the Prospectus, KID, Articles of Incorporation and latest published annual and semi-annual reports may also be consulted from the following website [www.fundsquare.com](http://www.fundsquare.com).

A brief description of the strategy put in place by the Management Company for determining when and how voting rights attached to instruments held in the Fund's portfolio are to be exercised and information regarding procedure on clients' complaints handling may be consulted from the following website [www.dpas.lu](http://www.dpas.lu).

The Management Company applies a remuneration policy (the « Policy ») within the meaning of article 111bis of the Law of 2010 aiming among others to prevent risk taking which is incompatible with the interests of the shareholders of the Fund, to avoid potential conflicts of interests and to decorrelate the decisions relating to control operations, from the performances obtained.

This Policy is adopted by the board of directors of the Management Company, who is also responsible for its implementation and supervision. The Policy applies to any kind of benefit paid by the Management Company, as well as to any amount paid directly by the Fund itself, including performance fees (if any), and to any transfer of shares of the Fund, made in favour of a category of staff covered by the Policy.

The general principles of the Policy are reviewed by the board of directors of the Management Company at least annually and are based on the size of the Management Company and/or on the size of the UCITS it manages.

The details of the up-to-date Policy are available on the website [www.dpas.lu](http://www.dpas.lu).

A hard copy will be made available free of charge upon request.

**INFORMATION RELATING TO THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS  
OF THE ALLROAD RESPONSIBLE INVESTMENT SUB-FUND**

**Product name :**  
ALLROAD RESPONSIBLE INVESTMENT

**Legal entity identifier :**  
3912001XUG6T8YWIM257

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective ?	
●● <input type="checkbox"/> Yes	●○ <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ____ %  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> ____ %	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of <b>15.00 %</b> of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective  <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product ?

The sub-fund is a fund of funds which invests both in equity and fixed income markets through a limited number of UCITS funds and ETFs at least classified as Article 8 or 9 under the Sustainable Finance Disclosure Regulation.

For the equity holdings, the investment manager will pick up passive funds and/or ETF's indexed on the MSCI Socially Responsible Investing (SRI) Indexes. The SRI indexes of MSCI are targeting the 25 % best-in-class companies in each sector, rated on Environmental, Social and Governance (ESG) scores. By definition, SRI indexes will exclude companies with negative social or environmental impacts as well as companies facing controversies (additional information is available on [www.msci.com](http://www.msci.com)).

For investments falling in the equity asset class, MSCI will consider the Global Investable Market Indexes and will first exclude companies having controversial business involvement in controversial/nuclear/conventional weapons, tobacco, adult entertainment, alcohol, gambling, fossil fuel, thermal coal and nuclear power. Then each index is benefiting from MSCI ESG Ratings classification (ranking includes "Laggards" with a rating of CCC or B, "Average" with a rating from BB to A, and "Leader" with a rating at AA or AAA). Companies with an ESG rating of "A" or above are eligible for incorporation in the SRI index. SRI Indexes are reviewed annually and will be updated in order to target 25 % of free float-adjusted cumulative market capitalization of each sector of the parent index. This is then representative on the highest environmental and social rated stocks of each sector, based on MSCI ESG Research which is one of the most recognized data provider – see <https://www.msci.com/msci-sri-indexes>.

Each investment will at least be indexed on a MSCI SRI index but in addition, each investment can also target a more specific environmental objective including (but not limited to) lowering carbon emissions, reducing fossil fuel exposure or aligning to EU PAB (EU Paris Aligned Benchmark) which are all sub-indexes of MSCI SRI and which set higher environmental standards than MSCI SRI alone.

For the fixed income holdings of the portfolio, investments will be done through indexation on indexes recognized for their well-defined ESG characteristics. The indexes are chosen by the investment manager after a screening of the methodologies applied either by MSCI, JP Morgan, Bloomberg Barclays or any other index provider. Those methodologies are expected to have basis exclusion to controversial activities (ie controversial weapons) and minimum standards on human rights. For Corporate bonds, the Bloomberg

Barclays MSCI SRI indexes will be used. Those indexes are focusing on MSCI rating above BB which correspond to 50% of the best rated companies in each sector – see

<https://www.msci.com/our-solutions/indexes/bloomberg-msci-esg-fixed-income-indexes>. Government bonds indexes will be monitored against JP Morgan ESG indexes (excluding sovereigns with JESG scores below 30) – see

[https://www.jpmorgan.com/content/dam/jpm/cib/complex/content/markets/composition-docs/JPM\\_JESG\\_Index\\_Methodology.pdf](https://www.jpmorgan.com/content/dam/jpm/cib/complex/content/markets/composition-docs/JPM_JESG_Index_Methodology.pdf).

Passive strategies linked to ESG-related indexes are promoting environmental and social characteristics. The investment manager will diversify investments in those passive strategies. In case the diversification of the investments requires to invest in other asset classes where no such ESG (or SRI) benchmark exists, the investment manager will make sure that the targeted fund or ETF at least commits to make the promotion of environmental or social characteristics (SFDR Article 8). Such investments will be limited to 10% of the total assets.

Morningstar Direct is used as a monitoring tool to review the different benchmark holdings in look-through.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product ?**

The sustainability indicators used to measure the achievement of all the environmental and social characteristics promoted by the sub-fund correspond to binding investment restrictions including :

- a) No exposure to indices which would allow investment in companies deemed non-compliant with the United Nations Global Compact and/or international standards ;
- b) No exposure to companies facing severe controversies, using a look-through approach ;
- c) At least one index exclusion on fossil fuels (ie limited company revenues from Arctic Oil and Gas) ; and
- d) An ESG profile of the underlying index replicated by the ETFs (or passive funds) above standard indices for each asset class.

The investment manager of the Sub-fund will combine passive funds and ETFs which have different sustainable characteristics (principally but not exclusively environmentally sustainable) but with the objective of achieving the sustainability indicators described for the Sub-fund.

Index funds (or ETFs) with a passive strategy replicating the sustainable characteristics of an index are automatically considered to make the same promotion of environmental and social characteristics as the index does.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives ?**

The investment manager is targeting a minimum share of 15% of sustainable investments with environmental objectives (with or without alignment to the EU Taxonomy). Those environmental objectives need to exclude the most negative contributors to climate change and the underlying investments which do face severe controversies (environmental and social).

In order to attain the objective, a three steps approach is applied by the investment manager :

- a) The passive strategies in which it invests (ETFs or passive funds) have a minimum commitment to sustainability in their own disclosures (principally but not exclusively environmentally sustainable) as well as high ESG standards ;
- b) As sustainable objectives vary amongst targeted investments, the investment manager monitors their sustainable characteristics using a look-through approach. This monitoring allows to determine at the Sub-fund level how environmental characteristics are met by the underlying investments on a consolidated basis. It also allows the investment manager to review potential controversies from securities which are still included in the index tracked ; and
- c) The investment manager will monitor the information provided by ETFs or passive funds in their own annual reporting or within the European ESG Template when available in order to control the adequacy of the strategy.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective ?**

The investment manager will monitor index provider methodologies to make sure that indexes are composed of the companies with the highest ESG standards. At the same time, the methodology needs to provide evidence that those objectives are not reached at the expense of other objectives

(automatic exclusions). The “do not significant harm” (DNSH) principle will be monitored through an analysis of the level of controversies of the relevant indexes by looking-through the components of the different indexes used. This can be done through data basis like Morningstar Direct.

If the investment manager is no longer comfortable with the level controversies faced by one index used in the Sub-fund strategy, an assessment needs to be done on that index. Depending on the methodology of the indices, the investment manager may keep the investment (in the ETF or passive funds) at least till the next rebalancing of the tracked index. After the rebalancing, the investment manager will have to monitor if some holdings of the index are still failing to comply with its rigorous expectations. In case non-compliance remains, the investment manager will exit the position within the next three months and will reassess which index better fits its goals without harming other objectives.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● *How have the indicators for adverse impacts on sustainability factors been taken into account ?*

Investments are focused on benchmarks with high ESG standards but no specific indicators for adverse impacts are promoted by the compartment. Adverse impacts that benchmarks take into account may vary depending on the asset class or the specific investment targets of those benchmarks. As the sub-fund will only select article 8 or 9 funds and ETF which follow their own indicators, it is not possible to determine specific adverse impacts on sustainability factors at the fund of funds level.

When available, the investment manager will monitor the periodic disclosures of the funds/ETF as well as the European ESG Template (EET) to follow the impacts of those underlying investments on sustainability factors.

● *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights ?*

By investing only in article 8 and 9 funds or ETF, the investment manager commits to hold a minimum of 15% of sustainable investments. All investments will themselves disclose how they align with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The investment manager will, on a quarterly basis, screen the underlying funds and ETFs on severe controversies through the MorningStar Direct platform.

The methodologies of the different indexes already assess controversies and those indexes are generally designed to be consistent with international norms like the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at work, and the UN Global Compact.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do not significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors ?**

- ☐ Yes  
☒ No

As mentioned above, indicators for adverse impacts on sustainability factors are not taken into account by the investment manager yet given that they vary from one fund/ETF to another. Nevertheless, the sub-fund will only select article 8 and 9 funds or ETF, which follow their own indicators to monitor adverse impacts on sustainability factors.

When available, the investment manager will monitor the periodic disclosures of the funds/ETF as well as the European ESG Template (EET) to follow the impacts of those investments on sustainability factors.



## What investment strategy does this financial product follow ?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The sub-fund will invest 100% of the employed capital into passive funds or ETFs in equity and fixed income asset classes. It will only select funds and ETFs classified as SFDR article 8 or 9 and replicating strict ESG methodologies of benchmark contributors (such as Best in class selection and several screening criteria).

The sub-fund is committed to hold a minimum proportion of 15% of sustainable investment in environmental area. The Investment Manager assesses the methodologies of the index providers and selects the most adequate benchmarks in order to keep a broad diversification of the investments. A regular monitoring of the underlying investments is also applied through Morningstar Direct.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product ?**

The investment manager performs an assessment on each index that could be tracked for the different asset classes included in the Sub-Fund. The monitoring of the indices is central in the strategy and is done in look-through by the investment manager with the use of Morningstar Direct. The binding elements of the strategy are the percentage of companies in violation with UNGC/OECD Guidelines and basic exclusion criteria's for companies with revenues above a defined threshold in thermal coal, gambling, adult entertainment or tobacco (in line with the Sustainable Policy of the Management Company).

The Sub-Fund will strictly exclude ETFs or passive funds which are not considering sustainability in their investment process. Furthermore, the investment manager commits to combine the different ETFs and passive funds with a target to reach at least 15% of sustainable investment for the whole sub-fund.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy ?**

N/A

No formal engagement can be determined for a strategy of funds of funds as the management of the sub-funds is assured by third-party managers. Nevertheless the target remains to select sub-funds which themselves focus on reducing negative impacts.

- **What is the policy to assess good governance practices of the investee companies ?**

Indexation on best-in class indexes is a first step towards considering governance of investee companies. Well recognized data providers assess the governance using criteria like (and not limited to) gender pay gap or the percentage of female board members. The methodologies of the different indexes will be monitored by the investment manager to assess the criteria used for excluding the companies with poor governance.

The Investment Manager monitors the different governance criteria through MorningStar Direct platform.



## What is the asset allocation planned for this financial product ?

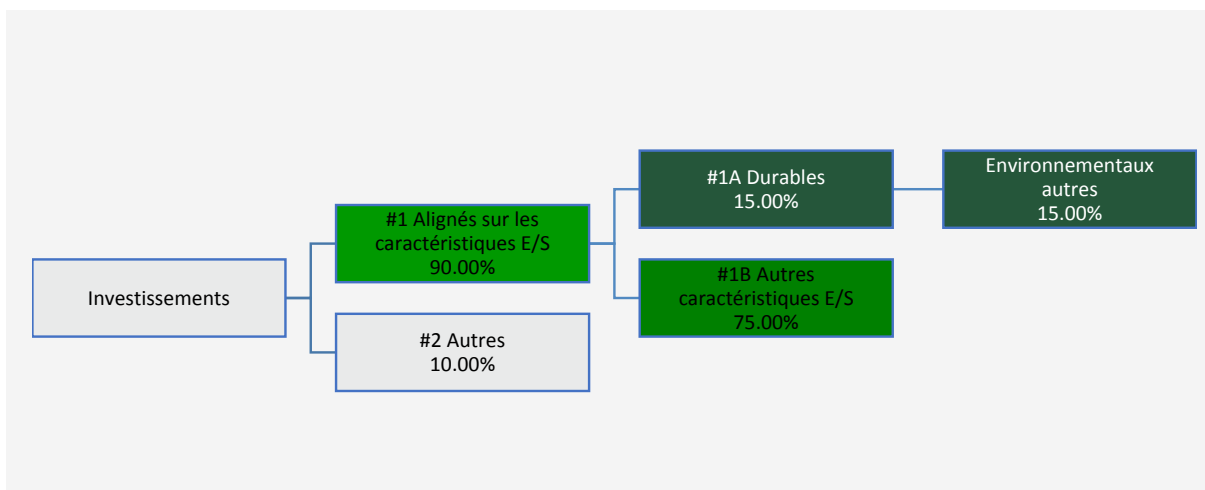
**Asset allocation** describes the share of investments in specific assets.

The sub-fund will invest 90% of its assets in funds aligned with E/S characteristics, with a minimum share of sustainable investments of 15% on a look-through basis. All target funds will be classified as article 8 or 9 under the SFDR Regulation with or without sustainable objectives.

The share of sustainable investments (min 15%) will include environmental investments (with no defined commitment to the EU Taxonomy).

The “#2 other” category will include residual cash and will never exceed 10% of the portfolio.





**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers :

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product ?**

The sub-fund may use financial derivative instruments for hedging purposes only within the limits laid down by law, regulation and administrative practice. Those derivatives do not influence the environmental or social characteristics promoted by the financial product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy ?**

There is no targeted alignment with EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy <sup>1</sup> ?**

- ☐ Yes :
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

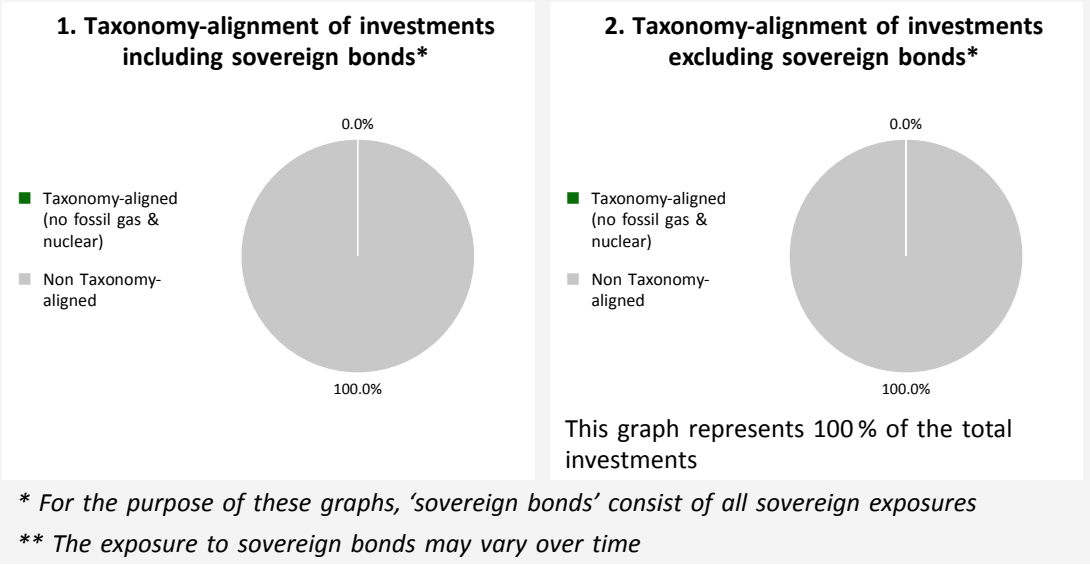
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or lowcarbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- turnover reflecting the share of revenue from green activities of investee companies
- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- operational expenditure (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which lowarbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- What is the minimum share of investments in transitional and enabling activities?  
Not applicable



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy ?

The minimum share of sustainable investments with environmental objective that are not aligned with the EU Taxonomy will be at least 15 %.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**What is the minimum share of socially sustainable investments ?**

The sub-fund does not undertake to hold a minimum share of socially sustainable investments.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards ?**

The investments included under “#2 other” consist of residual cash, including money market funds, and derivative instruments.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes ?**

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product ?**

Not applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis ?**

Not applicable

- **How does the designated index differ from a relevant broad market index ?**

Not applicable

- **Where can the methodology used for the calculation of the designated index be found ?**

Not applicable

**Where can I find more product specific information online ?**

More product-specific information can be found on the website : [www.qualion.eu](http://www.qualion.eu)