

VISA 2022/170180-11456-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2022-08-26

Commission de Surveillance du Secteur Financier

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**REZCO SICAV**

**Investment company with variable capital**

**PROSPECTUS**

August 2022

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## **IMPORTANT INFORMATION**

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

All capitalised terms used in this Prospectus are defined below under Section "Glossary", unless (otherwise) defined in other Sections.

In view of economic and market risks, no assurance can be given that the Company will achieve its investment objectives. It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.

The Directors of the Company, whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

The shares of the Company are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Company or the Directors. Neither the delivery of this Prospectus nor the issue of shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Company and the KIIDs, copies of which may be obtained free of charge from the registered office of the Company.

Prospective investors are advised to review this Prospectus (including the relevant Appendix(ices)) and the KIID(s) carefully and in their entirety and, before making any investment decision with respect to an investment in a Sub-Fund, should consult a stockbroker, bank manager, lawyer, accountant or other financial adviser for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus.

### **Listing on a Stock Exchange**

The Directors may decide to list some Classes of shares of the Sub-Funds on one or more stock exchanges. Further information on the stock exchange listings may be obtained from the Company upon request.

### **Selling and transfer restrictions**

United States: The shares being offered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "1933 Act") or the securities laws of any of the states of the United States. Therefore, the shares may not be offered or sold directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act. The shares may not be directly or indirectly offered or sold to or for the benefit of a "United States person" as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), a "U.S. person" as such term is defined in Regulation S of the 1933 Act, as amended, a person that is "in the United States" as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, or a person that is not a "Non-United States Person" as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7.

The Company will not be registered under the United States Investment Company Act of 1940 (the "1940 Act"). Based on interpretations of the 1940 Act by the United States Securities and Exchange Commission, if the Company has more than 100 beneficial owners of its shares who are US Persons, it may become subject to certain requirements under the 1940 Act. To ensure that the number of holders of shares who are US Persons

does not exceed this limit, the Directors may require the compulsory redemption of shares beneficially owned by US Persons.

Each applicant for shares will be required to certify whether it is a US Person.

### **General**

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

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

The Prospectus may be translated into other languages. To the extent that there is any inconsistency between this Prospectus and a translation thereof, the English-language Prospectus shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the shares are sold.

The Directors draw the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Company, notably the right to participate in general meetings of shareholders if the investor is registered himself and in its own name in the Company's register of shareholders maintained by the Registrar and Transfer Agent. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors should seek advice from their salesman or intermediary on their rights in the Company.

### **Data Protection**

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by, or on behalf of, the Company will be processed by the Company in accordance with applicable laws and regulations, including the GDPR and the Privacy Notice referred to in this Prospectus. Investors and any person contacting, or otherwise dealing directly or indirectly with the Company are invited to read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Company.

## **DIRECTORY**

### **Registered Office of the Company**

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

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

Graham Goodhew, Independent Director  
Waldemar John Hamilton Gray, Non-Executive Chairman, Rezco Asset Management (Pty) Ltd  
Robert Bernard Spanjaard, Chief Executive Officer, Rezco Asset Management (Pty) Ltd  
Ronald Russell Cape, Director of Operations, Rezco Asset Management (Pty) Ltd  
James Spanjaard, Director, Sowers Capital Ltd

### **Management Company**

ONE fund management S.A.  
Cubus 3, 4, rue Peternelchen  
L-2370 Howald  
Grand Duchy of Luxembourg

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

Aron Brown, Independent Director  
Steve Bernat, Co-Founder, ONE group solutions  
Lydie Bini, Director

### **Conducting Officers of the Management Company**

Lydie Bini, Head of AIFM  
Kvirin Cerne, responsible for Administration of UCIs and Valuation  
Daniel Koelzer, responsible for Portfolio Management  
Geoffrey Hurault, responsible for Risk Management  
Sophie Charles, responsible for Compliance

### **Depositary, Domiciliary Agent, Administration Agent, Registrar and Transfer Agent and Paying Agent in Luxembourg**

State Street Bank International GmbH, Luxembourg Branch  
49, Avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Investment Manager**

Rezco Asset Management (PTY) Ltd.

146 Main Road

Walmer

Port Elizabeth

6070 South Africa

**Global Distributor**

Niveau Fenef S.à r.l.

1st Floor, 24, rue Beaumont

L-1219 Luxembourg

Grand Duchy of Luxembourg

**Auditors**

Deloitte Audit S.à r.l.

20, Boulevard de Kockelscheuer

L - 1821 Luxembourg

Grand Duchy of Luxembourg

**Legal Advisers as to matters of Luxembourg law**

Maples and Calder (Luxembourg) SARL

12E, rue Guillaume Kroll

L - 1882 Luxembourg

Grand Duchy of Luxembourg

## GLOSSARY

<b>1915 Law</b>	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
<b>2010 Law</b>	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended.
<b>Administration Agent</b>	State Street Bank International GmbH, Luxembourg Branch, acting in its capacity as administration agent of the Company or any replacement thereof.
<b>Application Form</b>	The application form for the subscription of shares in a Sub-Fund available at the registered office of the Company and from distributors (if any).
<b>Articles of Incorporation</b>	The articles of incorporation of the Company, as may be amended from time to time.
<b>Auditors</b>	Deloitte Audit S.à r.l. or any replacement thereof.
<b>Base Currency</b>	The base currency of a Sub-Fund, as disclosed in the relevant Sub-Fund Appendix.
<b>Business Day</b>	Any day on which the banks are fully open for normal business banking in Luxembourg and South Africa.
<b>Class(es)</b>	Pursuant to the Articles of Incorporation, the Directors may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a "Class") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund Appendix.
<b>Company</b>	REZCO SICAV
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.
<b>Data Protection Legislation</b>	The GDPR and any other laws applicable to the Company in relation to the processing of personal data.
<b>Depository</b>	State Street Bank International GmbH, Luxembourg Branch, acting in its capacity as depository bank of the Company or any replacement thereof.
<b>Depository Agreement</b>	Shall mean the agreement entered into between the Company and the Depository.
<b>Directors</b>	The members of the board of directors of the Company.



<b>EEA</b>	European Economic Area.
<b>Eligible State</b>	Any state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
<b>ESMA</b>	The European Securities and Markets Authority.
<b>EU</b>	European Union.
<b>EUR</b>	The legal currency of the European Union (the "Euro").
<b>ESG</b>	Environmental, social and governance.
<b>ESG Orientated Fund</b>	A Sub-Fund of the Company that, in accordance with the criteria outlined in Article 8 of SFDR, promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the Sub-Fund invests in follow good governance practices.
<b>GDPR</b>	The General Data Protection Regulation (Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the production of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC).
<b>Global Distributor</b>	Niveau Fenef S.à r.l. or any replacement thereof.
<b>Grand-Ducal Regulation of 2008</b>	The Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investments.
<b>Group of Twenty (G20)</b>	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, USA and the European Union.
<b>Institutional Investor(s)</b>	Institutional investor(s) within the meaning of article 174 of the 2010 Law.
<b>Key Investor Information Documents</b>	Shall mean the key investor information documents to be furnished to investors such as described by article 159 of the 2010 Law.
<b>Investment Manager</b>	Rezco Asset Management (Pty) Ltd.
<b>Information Card</b>	An annex to a Sub-Fund Appendix to this Prospectus, issued from time to time, specifying certain information pertaining to the relevant Sub-Fund in accordance with the requirements of SFDR.
<b>Luxembourg</b>	The Grand Duchy of Luxembourg.

<b>Mainstream Fund</b>	A Sub-Fund which does not meet the criteria to qualify as either an ESG Orientated Fund pursuant to Article 8 of SFDR or a Sustainable Investment Fund pursuant to Article 9 of SFDR.
<b>Management Company</b>	ONE fund management S.A.
<b>Member State(s)</b>	Shall mean a member state of the EU. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the EU.
<b>RESA</b>	<i>Recueil Electronique des Sociétés et Associations.</i>
<b>Money Market Instruments</b>	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>Net Asset Value per share</b>	The net asset value of any Class within any Sub-Fund determined in accordance with the relevant provisions detailed in section 10 "Net Asset Value and dealing prices".
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>Other UCI or UCI</b>	An Undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of UCITS Directive.
<b>Prospectus</b>	Shall mean the prospectus of the Company.
<b>Registrar and Transfer Agent</b>	State Street Bank Luxembourg International GmbH, Luxembourg Branch, acting as registrar and transfer agent of the Company or any replacement thereof.
<b>Reference Currency</b>	The Reference Currency of a Class as disclosed in the relevant Sub-Fund Appendix.
<b>Regulated Market</b>	A regulated market as defined in the Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.

<b>Sub-Fund</b>	A specific portfolio of assets and liabilities within the Company having, among others, its own investment objective, investment restrictions and Net Asset Value per share. It is represented by one or more Classes.
<b>Sub-Fund Appendix</b>	Part of the Prospectus containing information relating to each Sub-Fund, noting that any such appendix may be issued with an information card, annex or addendum containing supplemental information on the relevant Sub-Fund or Class.
<b>SFDR</b>	EU 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 as may be amended from time to time.
<b>SFT(s)</b>	Securities financing transaction(s) as defined in the SFTR.
<b>SFTR</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
<b>Sustainability Risk</b>	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, including but not limited to, risks stemming from climate change, natural resource depletion, environmental degradation, human rights abuses, bribery, corruption and social and employee matters.
<b>Sustainable Investment</b>	(a) an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy; or (b) an investment in an economic activity that contributes to a social objective, in particular, an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations; or (c) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular, with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
<b>Sustainable Investment Fund</b>	A Sub-Fund that, in accordance with the criteria outlined in Article 9 of SFDR, has Sustainable Investment as its objective.
<b>Sustainability Factors</b>	Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
<b>Transferable Securities</b>	As defined in the 2010 Law.

<b>Taxonomy Regulation</b>	The Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852) as may be amended from time to time.
<b>UCITS</b>	An undertaking for collective investment in transferable securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.
<b>UCITS Directive</b>	Directive 2009/65/EC, as amended from time to time.
<b>US Person</b>	A citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for the purpose of computing United States income tax payable by it.
<b>USD</b>	The legal currency of the United States of America.
<b>Valuation Day</b>	Any Business Day on which the Net Asset Value is calculated as detailed for each Sub-Fund in the relevant Sub-Fund Appendix.

## **GENERAL PART**

### **1 STRUCTURE OF THE COMPANY**

The Company is an open-ended umbrella investment company with variable capital (*société d'investissement à capital variable*) incorporated under the form of a *société anonyme* in the Grand Duchy of Luxembourg. The Company is authorised by the CSSF as an undertaking for collective investment in transferable securities ("UCITS") under Part I of the 2010 Law. This registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Company. Any representation to the contrary is unauthorised and unlawful. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant Sub-Fund Appendix. Within each Sub-Fund, different Classes with characteristics detailed in the relevant Sub-Fund Appendix may be issued.

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

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

The Company was incorporated on 24 November 2017. The capital of the Company shall be equal at all times to its net assets. The minimum capital of the Company shall be the minimum prescribed by the 2010 Law, which at the date of this Prospectus is the equivalent of EUR 1,250,000.

The Company is registered with the *Registre de Commerce et des Sociétés, Luxembourg* (the Luxembourg trade and companies register, ("RCS")) under number B219901. The Articles of Incorporation are deposited with the RCS and have been published in the RESA on 8 December 2017.

The reference currency of the Company is USD and all the financial statements of the Company will be prepared in accordance with Luxembourg generally accepted accounting principles ("Luxembourg GAAP") and presented in USD.

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

The exclusive objective of the Company is to place the funds available to it in transferable securities and other permitted assets of any kind, to the extent permitted by "Appendix 1. General Investment Restrictions", with the purpose of spreading investment risks and affording its shareholders the results of the management of its portfolios. Each of the Sub-Funds may employ financial derivative instruments to hedge market and currency risk and for the purposes of efficient portfolio management.

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

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

### **3 SUSTAINABLE FINANCE DISCLOSURES**

The European Union has introduced a series of legal measures (the primary one being SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

This section of the Prospectus has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR.

It is noted that the regulatory technical standards to specify the details of the content and presentation of the information to be disclosed pursuant to SFDR have been delayed and will not be issued when the relevant disclosure obligations in SFDR become effective.

It is also noted in this respect that the European Commission has recommended, that from the effective date of SFDR, financial market participants seek to comply with the specific disclosure obligations in SFDR that are reliant on regulatory technical standards on a "high-level, principles-based approach".

The Company therefore seeks to comply on a best efforts basis with the relevant disclosure obligations and makes this disclosure as a means of achieving this objective.

It is expected that this section of the Prospectus has been prepared for the purpose of meeting the specific financial product level disclosure requirements will be reviewed and updated once the relevant regulatory technical standards come into effect, noting in particular that the regulatory technical standards are expected to contain details on the form and presentation of the information to be disclosed and this could therefore require a revised approach to how the Company seeks to meet the disclosure obligations in SFDR.

The Company and the Investment Manager currently do not consider the adverse impacts of investment decisions on Sustainability Factors. The rationale for not considering such adverse impacts is based primarily on the fact that, as outlined above, the regulatory technical standards ("**RTS**") which will set out the content, methodology and information required in the principal adverse impacts statement remain in draft form and have been delayed. The Company and the Investment Manager intend to consider the principal adverse impacts of investment decisions on Sustainability Factors once the RTS come into effect.

#### *Fund Classification*

For SFDR purposes each Sub-Fund is classified as either (i) a Mainstream Fund; (ii) an ESG Orientated Fund; or (iii) a Sustainable Investment Fund.

If a Sub-Fund is classified as either an ESG Orientated Fund or a Sustainable Investment Fund, a clear indication of this classification (along with additional SFDR-related disclosure) will be made in the Sub-Fund Appendix or the Information Card for the relevant Sub-Fund.

As a default, and in the absence of such clear indication, each Sub-Fund will be classified as a Mainstream Fund.

#### *Mainstream Funds*

The investments underlying the Mainstream Funds do not take into account the EU criteria for environmentally sustainable economic activities.

The classification of a Sub-Fund as a Mainstream Fund means that the Sub-Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

Accordingly, each Sub-Fund that is classified as a Mainstream Fund shall not be expected to pursue an investment approach that explicitly promotes environmental or social characteristics or to have sustainable investment as its objective.

Notwithstanding this classification, the Company still considers that the Mainstream Funds are managed responsibly. The Investment Manager evaluates and integrates Sustainability Risks and other relevant ESG factors at multiple stages throughout the investment process. This is considered as an important element in contributing towards long-term investment returns and an effective risk-mitigation technique and the Investment Manager does not expect that the assessment of likely impacts of Sustainability Risks will materially impact the expected risk or return characteristics of the Mainstream Funds. The Investment Manager believes its ESG-related research capabilities can help enhance portfolio relative performance, particularly in reducing exposure to countries, industries, and securities with material negative ESG risks. Where ESG considerations are not taken into account, it is purely due to the strategy of a Sub-Fund that is quantitatively or statistically driven. Details of how ESG factors are integrated into the investment process are available on request to the Investment Manager.

### *ESG Orientated Funds and Sustainable Investment Funds*

For any Sub-Funds that are classified as ESG Orientated Funds or Sustainable Investment Funds additional disclosures required under SFDR for such Sub-Funds shall be provided in the relevant Sub-Fund Appendix or Information Card.

## **4 TAXONOMY REGULATION**

The Taxonomy Regulation seeks to establish a framework to classify environmentally sustainable economic activities, whilst also amending certain disclosure requirements of SFDR. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for an objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

The Taxonomy Regulation sets out a list of economic activities with performance criteria for their contribution to the six environmental objectives namely (i) climate change mitigation; (ii) climate change adaptation; (iii) sustainable use and protection of water and marine resources; (iv) transition to a circular economy; (v) pollution prevention and control and protection; and (vi) restoration of biodiversity and ecosystems (the "Environmental Objectives").

The Taxonomy Regulation builds on the SFDR requirements for both an Article 8 ESG Orientated Fund and an Article 9 Sustainable Investment Fund by placing additional disclosure obligations on those funds that invest in economic activities that contribute to one or more of the six Environmental Objectives. It requires financial market participants (of such financial products) to disclose (i) how and to what extent they have used the Taxonomy Regulation to determine the sustainability of the underlying investments; and (ii) to what Environmental Objective(s) the underlying investments contribute.

It is notable that the scope of environmentally sustainable economic activities, as prescribed in the Taxonomy Regulation, is narrower than the scope of sustainable investments under SFDR. Therefore although there are disclosure requirements for both, these two concepts should be considered and assessed separately. This section addresses only the specific disclosure requirements of the Taxonomy Regulation.

Whilst the Taxonomy Regulation is effective from 1 January 2022, the Environmental Objectives will apply on a phased basis. Consideration of whether or not the underlying investments of an Article 8 ESG Orientated Fund and/or an Article 9 Sustainable investment Fund contribute to (i) climate change mitigation and/or (ii) climate change adaptation will apply from 1 January 2022. Consideration with regard to the other four Environmental Objectives will apply from 1 January 2023.

## **5 RISK MANAGEMENT PROCESS**

The Management Company, on behalf of the Company will employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument and shall ensure for each Sub-Fund that its global exposure relating to financial derivative instruments does not exceed the net asset value of its portfolio.

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

In the framework of the risk management process, either the commitment approach, or relative or absolute "value-at-risk" approach (hereinafter "VaR") may be used to manage and measure the global exposure of each Sub-Fund. The choice of the approach used is based on the investment strategy of each Sub-Fund and on the type and on the complexity of the financial derivative instruments in which the relevant Sub-Fund may invest, and also the proportion of financial derivative instruments held by the Sub-Fund.

The commitment approach measures the overall risk exposure linked to investment in financial derivative instruments and other investment techniques (taking into account the netting and hedging effects), which shall not exceed the Net Asset Value. Pursuant to this approach, each financial derivative instrument is in principle converted to the market value of an equivalent investment in the underlying asset to this financial derivative instrument.

The VaR measures the maximum expected loss taking into account a given confidence level and a given period.

The VaR calculation is processed on the basis of a unilateral confidence interval of 99% and a twenty days' time horizon.

When using relative VaR, the calculated overall global exposure related to the whole portfolio investments of the relevant Sub-Fund does not exceed twice the VaR of the reference portfolio.

When using absolute VaR, the VaR of the relevant Sub-Fund is limited to a maximum of 20% of its Net Asset Value.

The commitment approach is used to monitor and measure the global exposure of the Sub-Funds, unless otherwise provided in the relevant Sub-Fund Particulars.

The expected level of leverage for each Sub-Fund using VaR is indicated for each Sub-Fund in the relevant Sub-Fund Appendix. In certain circumstances, this level of leverage may however be exceeded. The method used for determining the expected level of leverage of these Sub-Funds is based on the sum of the notionals.

## **6 RISK CONSIDERATIONS**

Investment in any Sub-Fund carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should read the Prospectus in its entirety, read the relevant Key Investor Information Document and consult with their legal, tax and financial advisors prior to making a decision to invest.

There can be no assurance that the Sub-Fund(s) of the Company will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

### ***Market risk***

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments in securities may be affected by uncertainties such as international, political and economic and general financial market developments or changes in government policies, especially in countries where the investments are based.

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

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

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



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

### ***Hedged Share Classes***

If specifically provided in the relevant Appendix for any specific Sub-Fund, Classes of shares not denominated in the Base Currency ("Alternate Currencies"), if referred to as Hedged Share Classes, will systematically and fully (as described below) hedge their currency exposure to the Base Currency, whether the Alternate Currencies exposure is declining or increasing in value relative to the Base Currency. Whilst holding hedged shares may substantially protect the investor against losses due to unfavourable movements in the exchange rates of the Alternate Currencies against the Base Currency, holding such shares may also substantially limit the benefits of the investor in case of favourable movements. Investors should note that it will not be possible to fully hedge the total Net Asset Value of Alternate Currencies Class of shares against currency fluctuations of the Base Currency, the aim being to implement a currency hedge equivalent to between 95% and 105% of the Net Asset Value of the respective Alternate Currencies Class of shares. Changes in the value of the portfolio or the volume of subscriptions and redemptions may however lead to the level of currency hedging temporarily surpassing the limits set out above. In such cases, the currency hedge will be adjusted without undue delay. The Net Asset Value per Share of the Alternate Currencies Classes of shares does therefore not necessarily develop in the same way as that of the shares denominated in the Base Currency. It is not the intention of the Directors to use the hedging arrangements to generate a further profit for the Alternate Currencies Classes of shares.

Investors should note that there is no segregation of liabilities between the individual Shares Classes of shares within a Sub-Fund Hence, there is a risk that under certain circumstances, hedging transactions in relation to a Classes of shares not denominated in the Base Currency could result in liabilities affecting the Net Asset Value of the other Classes of the same Sub-Fund. In such case, assets of other Classes of shares of such Sub-Fund may be used to cover the liabilities incurred by the Classes of shares not denominated in the Base Currency.

### ***Liquidity risk***

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

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

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

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

### ***Credit risk***

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

### ***Downgrading Risk***

Investment grade bonds may be subject to the risk of being downgraded to non-investment grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security may be adversely affected.

The Investment Manager may or may not dispose of the securities, subject to the investment objective of the Sub-Fund. If downgrading occurs, the non-investment grade debt risk outlined in the paragraph below will apply.

### ***Debt Securities Risk***

Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities. Debt securities with longer maturities are generally more sensitive to interest rate changes than those with shorter maturities. Changes in market interest rates do not affect the rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can reduce its exposure to interest rate risk. Changes in market interest rates may also extend or shorten the duration of certain types of instruments, thereby affecting their value and the return on an investment in a Sub-Fund.

### ***High Yield Bonds***

Investment in debt securities is subject to interest rate, sector, security and credit risks. Compared to investment grade bonds, high yield bonds are non-investment grade securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.

### ***Contingent Convertible Securities***

Certain Sub-Funds may invest in contingent convertible securities. A contingent convertible security is subject to certain predetermined conditions which, if triggered (commonly known as "trigger events"), will likely cause the principal amount invested to be lost on a permanent or temporary basis, or the contingent convertible security may be converted to equity, potentially at a discounted price. Like many preferred securities, contingent convertible securities are issued for investment by institutional investors such as the Company. The Sub-Funds may invest in contingent convertible securities that are investment grade, and may invest in contingent convertible securities offered worldwide by banks and, increasingly, insurance companies.

Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level or the share price of the issuer falling to a particular level for a certain period of time. Holders of contingent convertible securities may suffer a loss of capital when comparable equity holders do not. In addition the risk of capital loss may increase in times of adverse market conditions. This may be unrelated to the performance of the issuing companies. There is no guarantee that the amount invested in a contingent convertible security will be repaid at a certain date as their termination and redemption is subject to prior authorisation of the competent supervisory authority.

In normal market conditions contingent convertible securities comprise mainly realisable investments which can be readily sold. The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons it is not known whether the market will view the issue as an idiosyncratic or systemic event. In the latter case, potential price contagion and volatility to the entire asset class is possible. Furthermore in an illiquid market, price formation may be increasingly stressed. While diversified from an individual company perspective the nature of the universe means that the relevant Sub-Fund may be concentrated in a specific industry sector and the Net Asset Value of the Sub-Fund may be more volatile as a result of this concentration of holdings relative to a fund which diversifies across a larger number of sectors.

In addition to the risk mentioned above, investment in contingent convertible bonds may entail the following risks (non-exhaustive list):

Capital structure inversion risk: contrary to classical capital hierarchy, contingent convertible bonds' investors may suffer a loss of capital when equity holders do not.

Trigger level risk: trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager of the relevant Sub-Fund to anticipate the Trigger Events that would require the debt to convert into equity.

Conversion risk: it might be difficult for the Investment Manager of the relevant Sub-Fund to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager might have

to sell all or part of these new equity shares in order to ensure compliance with the investment policy of the Sub-Fund. This sale may itself lead to liquidity issue for these shares.

Coupon cancellation: for some contingent convertible bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Call extension risk: some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

Unknown risk: the structure of contingent convertible bonds is innovative yet untested.

Valuation and Write-down risks: the value of contingent convertible bonds may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

Industry concentration risk: investment in contingent convertible bonds may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.

General: Contingent convertible instruments are currently still untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, it is uncertain whether the market will view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, activation of a trigger or suspension of coupon payments could cause a broader sell-off of contingent convertible instruments, thereby decreasing liquidity in the market. In an illiquid market, price formation may be increasingly stressed.

#### ***Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS)***

Certain Sub-Funds may have exposure to a wide range of asset-backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds.

ABS and MBS are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards.

ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

#### ***Collateral Management Risk***

In seeking to reduce credit risk through the posting or receiving of collateral in OTC financial derivatives transactions and efficient portfolio management techniques, the management of the collateral posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments. Collateral is also subject to other types of risks as set out below:

Operational Risks: including that the valuation of an underlying instrument which is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the Sub-Fund concerned to have an incorrect level of margin posted or received.

Legal Risks: including risks associated with contracts and changes of regulations in a relevant jurisdiction, etc. as well as the risk that collateral provided in cross-border transactions could be subject to conflicts of law

preventing the Sub-Fund concerned from recovering collateral posted or from enforcing its rights in relation to collateral to be received.

Custody Risk: collateral received by the Sub-Fund concerned on a title transfer basis will be safekept by the Depository or by a third party depository subject to prudential regulation and will be subject to custody risks associated with those entities. Collateral pledged by the Sub-Fund concerned will continue to be safekept by the Depository.

Reinvestment of Cash Collateral: cash collateral received that is reinvested may realize a loss, which would reduce the value of the collateral and result in the Sub-Fund concerned being less protected if there is a counterparty default.

While commercially reasonable efforts are utilized to ensure that collateral management is effective, such risks cannot be eliminated.

### ***Regulatory Reforms***

The Prospectus has been drafted in line with currently applicable laws and regulations. It cannot be excluded that the Company and/or the Sub-Funds and their respective investment objective and policy may be affected by any future changes in the legal and regulatory environment. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Sub-Fund to invest in certain instruments or to engage in certain transactions. They may also prevent the Sub-Fund from entering into transactions or service contracts with certain entities. This may impair the ability of all or some of the Sub-Funds to carry out their respective investment objectives and policies. Compliance with such new or modified laws, rules and regulations may also increase all or some of the Sub-Funds' expenses and may require the restructuring of all or some of the Sub-Funds with a view to complying with the new rules. Such restructuring (if possible) may entail restructuring costs. When a restructuring is not feasible, a termination of affected Sub-Funds may be required.

### ***Operations***

The Company's operations (including investment management and distribution) are carried out by several service providers. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions.

### ***Volatility of financial derivative instruments***

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

### ***Futures and options***

Under certain conditions, the Company may use options and futures on securities, indices and interest rates for different purposes (i.e. hedging and efficient portfolio management). Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

### ***OTC financial derivative transactions***

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a Sub-Fund entering into OTC financial derivative transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Sub-Fund will not sustain losses as a result.

From time to time, the counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Company or the relevant Investment Manager with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

#### ***Counterparty risk***

The Company on behalf of a Sub-Fund may enter into transactions in over-the-counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the Sub-Funds may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Funds to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Funds could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the Company on behalf of a Sub-Fund involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

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

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

#### ***Political risks***

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

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

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company

directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses. In addition, the rate of inflation will affect the actual rate of return on the shares.

### ***Small Cap Risk***

Securities of small cap companies tend to be traded less frequently and in smaller volumes than those of large cap companies. As a result, the prices of shares of small cap companies tend to be less stable than those of large cap companies. Their value may rise and fall more sharply than other securities, and they may be more difficult to buy and sell.

### ***Specialization Risk***

Some Sub-Funds may specialize by investing in a particular sector of the economy or part of the world or by using a specific investment style or approach. Specialization allows a Sub-Fund to focus on a specific investment approach, which can boost returns if the particular sector, country or investment style is in favour. However, if the particular sector, country or investment style is out of favour, the value of the Sub-Fund may underperform relative to less specialized investments. Sub-Funds that specialize tend to be less diversified, but may add diversification benefits to portfolios that do not otherwise have exposure to this specialization.

### ***Large Shareholder Risk***

Shares may be purchased or redeemed by investors holding a large portion of the issued and outstanding shares of a Sub-Fund ("large shareholders"). If a large shareholder redeems all or a portion of its investment in the Sub-Fund, the Sub-Fund may have to incur transaction costs in the process of making the redemption. Conversely, if a large shareholder makes a significant purchase in the Sub-Fund, the Sub-Fund may have to hold a relatively large position in cash for a period of time while the Investment Manager finds suitable investments. This may negatively impact the performance of the Sub-Fund.

### ***Sustainable Finance Disclosures Risks***

#### ***SFDR - Legal risk***

The series of legal measures (including SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage (the EU sustainable finance action plan) is being introduced in the European Union on a phased basis and some elements (for example supporting regulatory technical standards) are subject to implementation delays.

The Company seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of these legal measures as they are introduced. The Company may be required to incur costs in order to comply with these new requirements as part of the initial implementation phase and to incur further costs as the requirements change and further elements are introduced. This could be the case in particular if there are adverse political developments or changes in government policies as the implementation phase progresses. These elements could impact on the viability of the Sub-Funds and their returns.

#### ***ESG Data reliance***

The scope of SFDR is extremely broad, covering a very wide range of financial products and financial market participants. It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability. Disclosures in this Prospectus may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial market participants and financial advisers to achieve the objectives of SFDR in order to make sustainability-related information available.

#### ***Relative performance***

An ESG Orientated Fund or a Sustainable Investment Fund may underperform or perform differently relative to other comparable funds that do not promote environmental and/or social characteristics or pursue a sustainable investment objective.

## 7 SHARES

The Directors may, within each Sub-Fund, decide to create different Classes of shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, hedging strategy, reference currency, distribution policy or other specific features may apply to each Class. A separate Net Asset Value per share, which may differ as a consequence of these variable factors, will be calculated for each Class. The subscription price for shares in each Class of shares is invested in the assets of the relevant Sub-Fund. In principle, all assets and liabilities related to a specific Class of shares are allocated to that Class of shares. To the extent that costs and expenses are not directly chargeable to a specific Class of Shares, they shall be shared proportionally among the various Classes of Shares according to their net asset values or, if circumstances warrant it, allocated equally among the Classes of Shares. The same applies mutatis mutandis to Sub-Funds. The assets of a specific Sub-Fund will only meet the liabilities, commitments and obligations relating or attributable to such Sub-Fund.

The offering details of each Sub-Fund, including the name and characteristics of the different Classes created in each Sub-Fund are disclosed in the relevant Sub-Fund Appendix. The Directors may at any time decide to issue further Classes of shares in each Sub-Fund, in which case the relevant Sub-Fund Appendix will be amended accordingly.

Fractions of shares up to 4 decimal places will be issued if so decided by the Directors. Such fractions shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class on a pro rata basis.

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

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

### ***Eligibility Requirements***

The Company requires each prospective applicant for shares to represent and warrant to the Company that, among other things, it is able to acquire and hold shares without violating applicable laws and that it fulfils any eligibility requirements in relation to such shares as detailed in the Appendix for each Sub-Fund.

The shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable foreign (including US) securities laws.

As mentioned above, shares are freely transferable. The Directors may refuse to register a transfer which would result in (i) a breach of the applicable sale and transfer restrictions (including not fulfilling the relevant eligibility requirements of a Class of shares), or (ii) either the transferor or the transferee remaining or being registered (as the case may be) as the holder of shares in a Sub-Fund valued at less than the minimum holding requirement.

The Company will require from each registered shareholder acting on behalf of other investors that any assignment of rights to shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the applicable sale and transfer restrictions and minimum holding requirement.

### ***Contract notes***

Contract notes which are not proof of ownership are provided to the investor as soon as practicable after the Net Asset Value is available.

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

Shares are only issued in registered form and ownership of shares will be evidenced by entry in the register of shareholders of the Company.

## **8 HOW TO SUBSCRIBE**

### ***Application***

Applicants buying shares for the first time need to complete the Application Form which can be sent first by approved electronic transmission to the Registrar and Transfer Agent. The Application Form and supporting documents have to be received before the cut-off time for any applicable Valuation Day by the Registrar and Transfer Agent by fax, or other electronic transmission deemed acceptable from time to time, to open an account in the register of shareholders.

The original Application Form and supporting documents must thereafter be sent to the Registrar and Transfer Agent via post or courier to ensure the application has full transaction capability on the account. Any subsequent purchase of shares must be made before the cut-off time for any applicable Valuation Day to the Registrar and Transfer Agent by fax or other electronic transmission deemed acceptable from time to time.

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

The dealing cut-off times are indicated in the relevant Sub-Fund Appendix.

Applications received after the relevant cut-off times will normally be dealt on the next applicable Business Day.

### ***Acceptance***

The right is reserved by the Company, represented by its Directors, to reject any subscription or conversion application in whole or in part without giving the reasons thereof. If an application is rejected, the application monies or balance thereof will be returned at the risk of the applicant and without interest as soon as practicable, provided applicable anti-money laundering and KYC documentation is available.

As detailed in the Appendix, the sale of shares of certain Classes of shares may be restricted to Institutional Investors and the Company will not issue or give effect to any transfer of shares of such Classes of shares to any investor who may not be considered an Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor.

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

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, as amended, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and applicable CSSF Circulars concerning the fight against money laundering and terrorist financing, and any respective amendments or replacement, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering and terrorist financing purposes.

As a result of such provisions, the Registrar and Transfer agent of a Luxembourg undertaking for collective investment shall ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require applicants to provide any document it deems necessary to effect such identification. In addition, the Registrar and Transfer Agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law and FATCA (as defined in section 20. "Taxation").

In case of delay or failure by an applicant to provide the documents required, the application for subscription will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the Company,



the Management Company, nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

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

The Registrar and Transfer Agent will undertake all filings required by the Luxembourg law of 13 January 2019 instituting a register of beneficial owners in strict compliance with applicable requirements and update such filings as necessary.

### ***Settlement***

#### ***IN CASH***

Shares will be issued at a price based on the Net Asset Value calculated on the relevant Valuation Day plus any applicable subscription charge disclosed in the relevant Sub-Fund Appendix.

Subscription proceeds must be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Appendix and must be available to the Company on an account of the depository in cleared monies within the timeframe provided for in the relevant Sub-Fund Appendix (settlement date).

#### ***IN KIND***

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

### ***Share allocation***

Shares are provisionally allotted but not issued until settlement has been received by the Company or to its order.

If timely settlement is not made by the subscriber, the subscription may lapse and be cancelled at the cost of the subscriber or its financial intermediary. If the subscriber does not settle the subscription price in a timely manner, no shares will be issued to the defaulting subscriber.

Failure to proceed to timely settlement by the settlement date may result in the Company / Management Company bringing an action against the defaulting subscriber or its financial intermediary or deducting any costs or losses incurred by the Company / Management Company against any existing holding of the subscriber. Money returnable to the subscriber may be netted taking into account any costs or losses incurred by the Company / Management Company due to non-settlement of subscription proceeds within the Sub-Fund's timeline. Any profit will accrue to the benefit of the relevant Sub-Fund.

### ***Data Protection***

In the course of its business, the Company (and/or any of its delegates) collects, records, stores, adapts, transfers and otherwise processes information by which existing and prospective investors may be strictly identified.

The Company is a data controller (the "Controller") within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

The Controller (as more specifically identified in the Privacy Notice) processes 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 Controller 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 and up-to-date information regarding the processing of Data by the Controller is contained in a privacy notice (the "Privacy Notice"). Investors and any persons contacting, or otherwise dealing directly or indirectly with the Controller or its service providers in relation to the Company are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to: Rezco SICAV, 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

### **Obtaining and accessing the Privacy Notice**

The Privacy Notice is available at: <https://rezco.co.za/>

The Privacy Notice 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 originates, and the existence of automated decision-making, including profiling (if any);
- the fact 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 Controller; that the Processors include most of the service providers of the Controller; and that the Processors will act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes;
- the purposes for which Data will be processed by the Controller and the Processors and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Company, (ii) enabling the Controller and the Processors to perform their services for the Fund, and (iii) enabling the Controller and the Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- the possibility 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;
- the fact that any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- the retention periods with respect to Data, which will at all times be in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- how the failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Company; and
- certain rights that Data Subjects have 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.

All persons contacting, or otherwise dealing directly or indirectly with, any of the Controller, the Processors or other service providers in relation to the Company, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controller; that they may be notified of any change to or update of the Privacy Notice by any means that the Controller deems appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controller any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controller; that, if necessary and appropriate, they are required to obtain the (explicit)

consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controller harmless from and against adverse consequences arising from any breach of the foregoing.

Certain Processors may collect Data as controllers in their own right. All persons dealing directly or indirectly with the Controller should also consult the privacy notices of the relevant Processors.

## **9 HOW TO SELL SHARES**

### ***Request***

Redemption requests should be made directly to the Registrar and Transfer Agent. Such requests may be made by fax or any other form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent.

In compliance with the forward pricing principle, redemption requests received after the applicable cut-off time (as detailed, for each Sub-Fund in the relevant Sub-Fund Appendix) will be deferred to the next applicable Business Day.

### ***Settlement***

#### ***IN CASH***

Shares will be redeemed at a price based on the Net Asset Value calculated on the relevant Valuation Day less any applicable redemption charge disclosed in the relevant Sub-Fund Appendix.

Redemption proceeds will be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Appendix within the timeframe provided for in the relevant Sub-Fund Appendix.

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next business day on which those banks are open.

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

#### ***IN KIND***

With the consent of or upon request of the shareholder(s) concerned, the Directors may (subject to the principle of equal treatment of shareholders) satisfy redemption requests in whole or in part in kind by allocating to the redeeming shareholders investments from the portfolio in value equal to the Net Asset Value attributable to the shares to be redeemed.

Such redemption will, if required by law or regulation, be subject to a special audit report by the approved statutory auditor of the Company confirming the number, the denomination and the value of the assets which the Directors will have determined to be allocated in counterpart of the redeemed shares. The costs for such redemptions in kind, in particular the costs of the special audit report, will be borne by the shareholder requesting the redemption in kind or by a third party, but will not be borne by the Company unless the Directors consider that the redemption in kind is in the interest of the Company or made to protect the interests of the Company.

### ***Contract notes***

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

### ***Compulsory redemption***

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

The Directors have the right to require the compulsory redemption of all shares held by or for the benefit of a shareholder if the Directors determine that the shares are held by or for the benefit of any shareholder who is or becomes an ineligible applicant. The Company also reserves the right to require compulsory redemption of all shares held by a shareholder in a Sub-Fund if the Net Asset Value of the shares held in such Sub-Fund by the shareholder is less than the applicable minimum holding requirement, as specified in the relevant Sub-Fund Appendix.

Shareholders are required to notify the Company immediately if at any time they become US persons, hold shares for the account or benefit of US persons or otherwise become ineligible applicants.

When the Directors become aware that a shareholder (A) is a US person or is holding shares for the account or benefit of a US person; (B) is holding shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Company or its shareholders; or (C) has failed to provide any information or declaration required by the Board of Directors within ten days Business Days of being requested to do so, the Directors will either (i) direct such shareholders to redeem or to transfer the relevant shares to a person who is qualified or entitled to own or hold such shares or (ii) redeem the relevant shares.

If it appears at any time that a holder of shares of a Class of shares restricted to Institutional Investors is not an Institutional Investor or that a holder of shares does not fulfil the eligibility requirements for the relevant Class of shares, the Company will either redeem the relevant shares in accordance with the above provisions or convert such shares into shares of a Class of shares which is not restricted to Institutional Investors or into a Class of Shares for which the holder of shares fulfils the eligibility requirements (provided there exists such a Class of shares with similar characteristics) and notify the relevant shareholder of such conversion.

Any shareholder who becomes aware that it is holding shares in contravention of any of the above provisions and who fails to transfer or redeem its shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Company, the Depositary, the Registrar and Transfer Agent, the Investment Adviser (if any), the Investment Manager and the shareholders of the Company (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such shareholder to comply with its obligations pursuant to any of the above provisions.

### ***Deferral of redemption***

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

If, because of applications for redemption and/or conversion, it is necessary on a given Valuation Day to repurchase and/or convert more than 10% of the shares issued in a particular Sub-Fund, the Directors may decide that redemptions and/or conversions exceeding such threshold will be dealt with in terms of the applicable Large Deal Policy, which provides that such requests will be scaled down pro rata to the value of shares requested to be repurchased. On the relevant Valuation Day, applications for redemption and/or conversion which had been postponed in accordance with the Large Deal Policy shall be given priority over applications for redemption and/or conversion received in relation to that Valuation Day (and which had not been postponed).

## **10 HOW TO CONVERT SHARES**

To the extent provided for in the relevant Sub-Fund Appendix, shareholders will be entitled to request the conversion of the shares they hold in one Sub-Fund into shares of another Sub-Fund or to request the conversion of the shares they hold in one Class into another Class of the same Sub-Fund by making an application to the Registrar and Transfer Agent in Luxembourg or through a distributor by fax, confirmed in writing by no later than the cut-off time (as further specified in the relevant Sub-Fund Appendix).

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

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

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

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding, the Company may compulsorily convert the entire shareholding.

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

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

The meanings are as follows:

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

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

In compliance with the forward pricing principle, requests for conversions received after the cut-off time (as detailed, for each Sub-Fund, in the relevant Sub-Fund Appendix) will be deferred to the next applicable Business Day.

## **11 LATE TRADING AND MARKET TIMING**

"Late Trading" is understood to be the acceptance of a subscription (or switching or redemption) order after the applicable cut-off time on the relevant Valuation Day and the execution of such order at a price based on the Net Asset Value per share applicable for such same day. Late Trading is strictly forbidden.

"Market Timing" is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or switches shares within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value per share of a given Sub-Fund. Market Timing practices may disrupt the investment management of the Sub-Fund and harm the performance of the relevant Sub-Fund.

In order to avoid such practices, Shares are issued, redeemed and converted at an unknown price and the Company will not accept orders received after the relevant cut-off time.

The Directors will not knowingly authorise any practice associated with market timing and late trading, and reserve the right to reject any request for the subscription or conversion of shares received from investors that the Directors suspects of employing these practices or practices associated with the same and, where applicable, to take any measures necessary to protect other investors in the Company.

## 12 NET ASSET VALUE AND DEALING PRICES

### 12.1 Calculation of the net asset value

#### *Valuation Principles*

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

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

- (a) shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available net asset value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Directors, such change;
- (b) securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market will be valued at the closing price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Directors shall select the principal of such stock exchanges or markets for such purposes;
- (c) shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Directors in line with such prices;
- (d) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;
- (e) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
- (f) swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;
- (g) the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
- (h) any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;
- (i) in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-

paragraph (2) is not, in the opinion of the Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles.

- (j) liquid assets and Money Market Instruments may be valued at nominal value plus any accrued interest or an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. If the method of valuation on an amortised cost basis is used, the portfolio holdings will be reviewed from time to time under the direction of the Directors to determine whether a deviation exists between the net asset value calculated using market quotations and that calculated on an amortised cost basis. If a deviation exists which may result in a material dilution or other unfair result to investors or existing shareholders, appropriate corrective action will be taken including, if necessary, the calculation of the net asset value by using available market quotations.
- (k) in the event that the above mentioned calculation methods are inappropriate or misleading, the Directors may adopt to the extent such valuation principles are in the best interests of the shareholders any other appropriate valuation principles for the assets of the Company; and
- (l) in circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

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

#### *Swing Pricing / Dilution Levy*

A Sub-Fund may suffer a reduction in value, known as "dilution" when trading the underlying investments as a result of net inflows or net outflows of the respective Sub-Fund. This is due to transaction charges and other costs that may be incurred by liquidating and purchasing the underlying assets and the spreads between the buying and selling prices. In order to counter this effect and to protect shareholders' interests, the Company may adopt one of two following approaches in respect of a particular Sub-Fund:

- (a) The Company may adopt a swing pricing mechanism as part of its valuation policy. This means that in certain circumstances the Company may make adjustments to the Net Asset Value per share to counter the impact of dealing and other costs on occasions when these are deemed to be significant. If on any Valuation Day, the aggregate net investor(s) transactions in a Sub-Fund exceed a predetermined threshold, the Net Asset Value per share may be adjusted upwards or downwards to reflect the costs attributable to the net inflows and net outflows respectively. Typically, such adjustments will increase the Net Asset Value per share when there are net subscriptions into the Sub-Fund and decrease the Net Asset Value per share when there are net redemptions out of the Sub-Fund. The Company is responsible for setting the threshold, which will be a percentage of the net assets of the respective Sub-Fund. The threshold is based on objective criteria such as the size of a Sub-Fund and the dealing costs for a Sub-Fund, and may be revised from time to time.

The swing pricing mechanism may be applied across all Sub-Funds of the Company. The percentage by which the Net Asset Value per share may be swung may not exceed 2 % of the Net Asset Value of the relevant Sub-Fund. The Net Asset Value per share of each share class in a Sub-Fund will be calculated separately but any adjustment will be made on Sub-Fund level and in percentage terms, equally affecting the Net Asset Value per share of each Class. If swing pricing is applied to a Sub-Fund on a particular Valuation Day, the Net Asset Value adjustment will be applicable to all transactions placed on that day. Investors are advised that the volatility of the Sub-Fund's net asset value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

- (b) The Directors may decide to charge a dilution levy on subscriptions or redemptions, as described below. The value of the portfolio of a Sub-Fund may be reduced as a result of the costs incurred in the dealings in the Sub-Fund's investments, including stamp duty and any difference between the buying and selling price of such investments. In order to mitigate against such "dilution" and consequent potential adverse effect on remaining shareholders, the Company has the power to charge a "dilution levy" of up to 2 %

of the applicable Net Asset Value per share when shares are subscribed for or redeemed, such "dilution levy" to accrue to the affected Sub-Fund. Any dilution levy must be fair to all shareholders and potential shareholders and the Company will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose.

## 12.2 Temporary suspension

The Company may suspend the calculation of the Net Asset Value per share of a given Sub-Fund or Class of shares and, if necessary, the issue, redemption and conversion of shares of this Sub-Fund or Class of shares under certain circumstances. These circumstances may include:

- during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed, other than for ordinary holidays, or during which dealings are substantially restricted or suspended;
- during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Sub-Fund by the Company is not possible;
- during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Sub-Fund is suspended;
- during any period when the determination of the Net Asset Value per share of the underlying funds or the dealing of their shares/units in which a Sub-Fund is a materially invested is suspended or restricted;
- during any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund's investments or the current prices on any market or stock exchange;
- during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund's investments is not possible;
- from the date on which the Directors decide to liquidate or merge one or more Sub-Fund(s)/Class of shares or in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class of shares is to be proposed; or
- during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in shares of any Sub-Fund of the Company.

Notice of any suspension will be published by the Company, if it considers it appropriate, and notified to shareholders that have made a request for subscription, redemption or conversion of shares in respect of which calculation of the Net Asset Value has been suspended.

During any suspension of the calculation of the Net Asset Value, requests for subscription, redemption or conversion of shares may be revoked provided such requests reach the Company prior to the lifting of the suspension period. Failing revocation, the issue, redemption or conversion price shall be based on the Net Asset Value calculated as of the first Valuation Day after the end of the suspension period.

## 12.3 Information on prices

The Net Asset Value per share in each Sub-Fund is available at the registered office of the Company. The Company may also notify the relevant stock exchanges of the Net Asset Value per share in each Sub-Fund where the shares are listed, if applicable.

## 13 DIVIDENDS

The Board of Directors may decide to issue accumulation or distribution shares.

In principle, distribution shares give their owners the right to receive distributions. Following each distribution, the proportion of the net assets to be attributed to such distribution shares shall be reduced by an amount equal



to the amount of the distribution, thus resulting in a reduction of the net assets attributable to such distribution shares. In principle, accumulation shares will not make distributions.

Distributions may be composed of income (e.g. dividend income and interest income), realised and/or unrealised gains on investment, and capital.

To the extent that distributions are paid out of sources other than income, such payment of distributions amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that Class of shares. Shareholders may receive a higher distribution than they would have otherwise received in a Class of shares where fees and expenses are deducted from the distributable income.

Investors should note that the charging of fees and expenses to sources other than income as described above may constrain future capital growth for such shares together with the likelihood that the value of future returns would be diminished.

The payment of fees and expenses out of sources other than income may result in distributions paid effectively out of the capital of such shares. In these circumstances, distributions made in respect of such shares should be understood by investors as a form of capital reimbursement.

Investors in certain countries may be subject to higher tax rates on distributions than on capital gains from the sale of Company shares. Some investors may therefore prefer to subscribe to accumulation rather than distributing Classes of shares. Investors are advised to consult their tax adviser on this matter.

At the annual general meeting, the shareholders of each Class of Shares shall decide, upon the proposal of the Directors and subject to the limits imposed by this Prospectus and by law, the amount of distributions to be disbursed, if any, for such Class of shares.

No distribution shall reduce the share capital of the Company to an amount less than the minimum provided by the 2010 Law.

The Board of Directors may decide to pay interim distributions.

Distributions shall be paid in the currency of the relevant Class of the Sub-Fund.

In the event that a dividend is declared and is not claimed by the beneficiary within five years from the date of declaration, it may no longer be claimed and shall be returned to the relevant Sub-Fund for the benefit of the relevant Class of shares. **NO INTEREST WILL BE PAYABLE ON ANY DIVIDEND DECLARED BY THE COMPANY AND HELD AT THE DISPOSAL OF THE BENEFICIARY.**

## **14 CHARGES AND EXPENSES**

### *Management Company Fee*

The Management Company is entitled to receive from the Company a Management Company fee (the "Management Company Fee") which will be payable monthly in arrears at a rate of up to 0.045% per annum of the NAV of the relevant Sub-Fund, subject to a minimum annual fee of EUR 40,000 per Sub-Fund.

### *Investment Management/Advisory Fees*

In consideration for the investment management/advisory services provided to the Company, the Investment Managers/advisers (if any) are entitled to receive from the Company an investment management/advisory fee expressed as a percentage of the net assets of the relevant Class as further detailed in the relevant Sub-Fund Appendix. Unless otherwise provided for in the relevant Sub-Fund Appendix, this fee will be accrued on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund.

### *Performance Fee*

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

### *Depositary Fee*

As Depositary, State Street Bank International GmbH, Luxembourg Branch, is entitled to receive out of the assets of the Company, fees in consideration for providing services to it, along with such out-of-pocket expenses and disbursements as are deemed reasonable and customary by the Directors. The fees payable to State Street Bank International GmbH, Luxembourg Branch, comprise transaction-based fees and asset-based fees. The actual fees paid will be disclosed in the semi-annual and annual reports of the Company. Such fees currently vary between 0.015 % and 0.03% of the net asset value of each Sub-Fund depending on the market in which a particular Sub-Fund invests. There are no minimum fees. The fees are accrued daily and are payable to State Street Bank International GmbH, Luxembourg Branch monthly in arrears.

### *Administration Agent and Domiciliary Agent Fees and Expenses*

As Administration Agent and Domiciliary Agent, State Street Bank International GmbH, Luxembourg Branch, is entitled to receive out of the assets of the Company, fees in consideration for providing services to it, along with such out-of-pocket expenses and disbursements as are deemed reasonable and customary by the Directors. The actual fees paid will be disclosed in the semi-annual and annual reports of the Company. Such fees currently vary between 0.03% and 0.055% of the net asset value per Sub-Fund, subject to a minimum monthly fee of USD 8,700 per Sub-Fund. The fees are accrued daily and are payable to State Street Bank International GmbH, Luxembourg Branch monthly in arrears.

### *Other charges and expenses*

The Company pays all brokerage and any other fees arising from transactions involving securities in the Company's portfolio, clearing, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the authorisation in Luxembourg and elsewhere and the listing of the Company's shares (where applicable), maintaining listing, listing agent fees, cost and expenses for regulatory and tax representatives appointed in various jurisdictions and any other agents employed by the Company, distribution fees payable to distributors of shares of the Company or to fund distribution platforms, insurance, interest, for subscriptions to professional associations and other organisations in Luxembourg or in other jurisdiction where it may be registered for offer of its shares, which the Company will decide to join in its own interest and in that of its shareholders, the cost of publication of prices and costs relating to distribution of dividends and redemption repayment, bank charges, the remuneration of the Directors, if any, including their insurance cover and their reasonable out-of-pocket expenses and its other operating expenses such as accounting and pricing costs, expenses for legal, auditing and other professional services relating to the management of the Company and of its Sub-Funds, costs of printing, translating, and publishing information for the shareholders and in particular the costs of printing, translating and distributing the periodic reports, as well as the Prospectus, litigation and other recurring or non-recurring expenses.

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

The costs and expenses for the formation of the Company and the initial issue of its shares will be amortised over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear a pro-rata share of the unamortised costs and expenses incurred in connection with the formation of the Company and the initial issue of shares. Any additional Sub-Funds will bear their own formation expenses to be amortized over a period not exceeding 5 years.

Costs and expenses not attributable to a particular Class or Sub-Fund are allocated between all the Classes respective to shares pro-rata to their respective Net Asset Value.

In the case of amortised costs allocated pro-rata, the Directors reserve the right to recalculate such allocation over the course of the amortisation period if they believe that such is fair and equitable in light of the changes in the Sub-Funds' respective Net Asset Value.

## 15 MANAGEMENT COMPANY

The Directors have appointed ONE fund management S.A. as management company of the Company to perform investment management, administration and marketing functions as described in Annex 2 of the 2010 Law pursuant to an agreement entered into between the Company and the Management Company which may be terminated by a written prior notice given three months in advance by either party to the other.

The Management Company may delegate certain administrative, distribution and investment management functions to specialised service providers. In that context, the Management Company has delegated certain administration functions to State Street Bank International GmbH, Luxembourg Branch. The Management Company has also delegated certain investment management functions to the Investment Manager(s).

The Management Company was incorporated on 9 December 2019, as a public limited company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg, and registered with the R.C.S under number B.240884, The Management Company is licensed by the CSSF as a management company of UCITS in accordance with Chapter 15 of the 2010 Law relating to undertakings for collective investment. The Management Company has a subscribed and paid-up capital of 125,000 Euro.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the shareholders at any time. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company shall also ensure compliance by the Sub-Funds with the investment restrictions and oversee the implementation of the Sub-Funds' strategies and investment policies.

The Management Company shall also send reports to the Directors on a periodic basis and inform each Director without delay of any non-compliance with the investment restrictions by any Sub-Fund.

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request at the registered office of the Management Company.

The Management Company has established and applies a remuneration policy in accordance with principles laid out under the UCITS Directive and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under the UCITS Directive are not remunerated based on the performance of the UCITS under management.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion, which relies on the following principles\*:

- Identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- Identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- Calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- Determination of a balanced remuneration (fixed and variable);

- Implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration; and
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

\*It should be noted that, upon issuance of final regulatory guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at <https://www.one-gs.com/policies> and a paper copy will be made available free of charge upon request at the Management Company's registered office.

## **16 INVESTMENT MANAGER**

The Management Company has appointed Rezco Asset Management (PTY) Ltd (the "Investment Manager") as investment manager of the Company. Rezco Asset Management (PTY) Ltd, with registration number 1980/009077/07, was incorporated on 8 October 1980.

Rezco Asset Management (Pty) Ltd is a registered financial services provider in terms of section 8 of the Financial Advisory and Intermediary Services Act 37 of 2002 and is authorised to render financial advice and intermediary services in terms of its product licenses.

The Investment Manager may delegate its management duties to one or more sub-investment managers (each a "Sub-Investment Manager") whose identity will be disclosed in the relevant Sub-Fund Appendix.

In addition, the Investment Manager, with the prior consent of the Company and the Management Company may also appoint one or more investment advisers (each an "Investment Adviser") to advise it on the management of one or more Sub-Fund(s). The identity of the Investment Advisers (if any) will be disclosed in the relevant Sub-Fund Appendix.

The Investment Manager may enter into soft commissions arrangements with brokers under which certain business services are obtained and are paid for by the brokers out of the commissions they receive from transactions of the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Manager to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers.

The soft commission arrangements are subject to the following conditions: (i) the Investment Manager will act at all times in the best interest of the Company and the Management Company when entering into soft commission arrangements; (ii) the research services provided will be in direct relationship to the activities of the Investment Manager; (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Investment Manager to broker-dealers that are entities and not to individuals; and (iv) the Investment Manager will provide reports to the Management Company with respect to soft commission arrangements including the nature of the services it receives.

## **17 DISTRIBUTION OF SHARES**

The Management Company is responsible for the marketing of the shares of the Company and has appointed Niveau Fenef S.à r.l. as global distributor (the "Global Distributor").

The Global Distributor may appoint one or more sub-distributors subject to the prior approval of the Management Company.

## **18 DEPOSITARY**

The Company has appointed State Street Bank International GmbH, acting through its Luxembourg Branch, as its Depositary within the meaning of the 2010 Law pursuant to the Depositary Agreement. State Street Bank International GmbH is a limited liability company organised under the laws of Germany, having its registered

office at Brienner Str. 59, 80333 Munich, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank. The Depositary is authorised by the CSSF in Luxembourg to act as a depositary and is specialized in depositary, fund administration, and related services. The Depositary is registered in the RCS under number B148186. State Street Bank International GmbH is a member of the State Street group of companies having as their ultimate parent State Street Corporation, a US publicly listed company.

### **Depositary's functions**

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with applicable law and the Articles of Incorporation.
- ensuring that the value of the shares is calculated in accordance with applicable law and the Articles of Incorporation.
- carrying out the instructions of the Company unless they conflict with applicable law and the Articles of Incorporation.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law and the Articles of Incorporation.
- monitoring of the Company's cash and cash flows.
- safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### **Depositary's liability**

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the shareholders.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance by the Depositary of its duties and obligations.

### **Delegation**

The Depositary has full power to delegate the whole or any part of its safekeeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safekeeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Lincoln Street, Boston, Massachusetts 02116,

USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Company or at the following internet site:

<http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

### **Conflicts of Interest**

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

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

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

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Company;
- (v) may be granted creditors' rights by the Company which it may exercise.

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

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

The Management Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- (a) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

- (b) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (c) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- (d) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a "Standard of Conduct" that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to shareholders on request to the Depositary.

## **19 ADMINISTRATION**

### *Administration Agent*

State Street Bank International GmbH, Luxembourg Branch has been appointed as Administration Agent. The Administration Agent is responsible for the calculation of the NAV and the administration, under the review of the Auditors, of the general accounting of the Company.

### *Registrar, Transfer Agent and Paying Agent*

State Street Bank International GmbH, Luxembourg Branch has been appointed as Registrar and Transfer Agent and as Luxembourg Paying Agent.

The Registrar and Transfer Agent is responsible for the processing the issue, redemption and conversion of shares of the Company and the maintenance of the Company's register of shareholders.

In its capacity as Luxembourg Paying Agent, State Street Bank International GmbH, Luxembourg Branch shall assist in the payment of dividends declared by the Company to its shareholders.

### *Domiciliary Agent*

State Street Bank International GmbH, Luxembourg Branch has been appointed by the Company as Domiciliary Agent.

## **20 CONFLICTS OF INTEREST**

The Management Company, the Investment Manager, the Administration Agent, the Registrar and Transfer Agent and the Depositary may from time to time act as management company, investment manager or adviser, administrator, registrar and transfer agent or depositary bank in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Company or any Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Sub-Fund. In particular, but without

limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

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

## **21 MEETINGS AND REPORTS**

The annual general meeting of shareholders of the Company (the "Annual General Meeting") is held at the registered office of the Company or such other place as may be specified in the notice of meeting in Luxembourg, at any date and time decided by the Directors but no later than within six months from the end of the Company's previous financial year.

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

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

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

Financial periods of the Company end on the last day of February in each year. The first financial period of the Company covered the period from the date of incorporation until 28 February 2019. The annual report containing the audited financial accounts of the Company expressed in USD in respect of the preceding financial period and with details of each Sub-Fund in the relevant Base Currency is made available at the Company's registered office, at least 8 days before the Annual General Meeting.

The semi-annual reports will be dated as of 31 August, each year, except for the first financial year for which the first interim report prepared for the Company was dated as of 30 June 2018. The semi-annual reports will be available at the Company's registered office, at the latest two months after the end of the period to which they relates.

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

## **22 TAXATION**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### ***Taxation of the Company***

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.



No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Company.

The Company is, however, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on its net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is applicable to Luxembourg UCITS whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% per annum is also applicable to UCITS, individual compartments thereof, as well as for individual classes of securities issued within a UCITS or within a compartment of a UCITS with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to:

investments in a Luxembourg UCI, as well as individual compartments thereof, subject itself to the subscription tax;

UCITS, as well as individual compartments thereof, (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency;

UCITS, as well as individual compartments thereof, the shares of which are reserved to certain retirement pension schemes;

UCITS, as well as individual compartments thereof, whose main objective is the investment in microfinance institutions; and

UCITS, as well as individual compartments thereof, whose securities are listed or traded on a stock exchange and whose exclusive object is to replicate the performance of one or more indices.

### ***Withholding tax***

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

### **Taxation of the Shareholders**

#### ***Luxembourg-resident individuals***

Capital gains realised on the sale of the shares by Luxembourg-resident individual Investors who hold the shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the shares are sold within 6 months from their subscription or purchase; or
- (ii) if the shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Company.

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*).

### *Luxembourg-resident corporate*

Luxembourg-resident corporate investors will be subject to corporate taxation at the applicable rate on capital gains realised upon disposal of shares and on the distributions received from the Company.

Luxembourg-resident corporate investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the 2010 Law, (ii) a specialised investment fund subject to Law of 13 February 2007 on specialised investment funds, as amended, (iii) a reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The shares shall be part of the taxable net wealth of the Luxembourg-resident corporate Investors except if the holder of the shares is (i) a UCI subject to the 2010 Law, (ii) a vehicle governed by the Law of 22 March 2004 on securitisation, as amended, (iii) an investment company in risk capital subject to the Law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialised investment fund subject to the Law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

### *Non-Luxembourg residents*

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

### ***Automatic Exchange of Information***

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report the financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Company in accordance with applicable data protection law. Information regarding an Investor and his/her/its account will be reported to the Luxembourg tax authorities (Administration des Contributions Directes), if such an account is deemed a CRS reportable account under the CRS Law. The Company is responsible for the treatment of the personal data provided for in the CRS Law. The investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (Administration des Contributions Directes) which can be exercised by contacting the Company at its registered office.

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

The CRS Law requires Luxembourg financial institutions to report annually to the Luxembourg tax authorities as from 2017, for information related to the calendar year 2016.

For Austria, the Euro-CRS Directive applied for the first time in respect of the calendar year 2017, i.e. the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments of 3 June 2003, as amended (the "Savings Directive"), applied for one year longer.

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

Investors should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the CRS.

### **FATCA**

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Management Company, in its capacity as the Company's management company, may:

- (a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of an investor's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that shareholder's FATCA status;
- (b) report information concerning an Investor and his/her/its account holding in the Company to the Luxembourg tax authorities if such an account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- (c) report information to the Luxembourg tax authorities (Administration des Contributions Directes) concerning payments to investors with FATCA status of a non-participating foreign financial institution;
- (d) deduct applicable US withholding taxes from certain payments made to an investor by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and

- (e) divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Company is responsible for the treatment of the personal data provided for in the FATCA Law. The personal data obtained will be used for the purposes of the FATCA Law and such other purposes indicated by the Company in accordance with applicable data protection legislation, and may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*). Responding to FATCA-related questions is mandatory. The Investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and may contact the Company at its registered office to exercise their right.

The Company reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

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

### *Liquidation of the Company*

The Company may be dissolved at any time by decision of the general meeting of shareholders deciding with the same quorum and majority requirements as for the amendment of the Articles of Incorporation.

If at any time the value at their respective net asset values of all outstanding shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg Law, the Directors must submit the question of dissolution of the Company to a general meeting of shareholders acting, without minimum quorum requirements, by a simple majority decision of the shares represented at the meeting.

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

Such general meeting of shareholders shall be convened so that it is held within 40 days from the ascertainment that the net assets of the Company have fallen below two-thirds or one quarter of the minimum share capital, as the case may be.

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

### *Liquidation of Sub-Fund(s)/Classes*

The Directors may decide to liquidate one Sub-Fund and/or Class of shares if the net assets of such Sub-Fund or Class fall below or do not reach an amount determined by the Directors to be the minimum level for such Sub-fund or such Class to be operated in an economically efficient manner, if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if the interests of the shareholders would justify it. The decision of the liquidation will be published or notified to the shareholders by the Company as decided from time to time by the Directors, in accordance with applicable laws and regulations, prior to the effective date of the liquidation. The Company will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Directors otherwise decide in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund or Class concerned may continue to request redemption or switching of their shares.

Where the Directors do not have the authority to do so or where the Directors determine that the decision should be put for shareholders' approval, the decision to liquidate a Sub-Fund or Class may be taken at a meeting of shareholders of the Sub-Fund or Class to be liquidated instead of being taken by the Directors. At such Class/Sub-

Fund meeting, no quorum shall be required and the decision to liquidate must be approved by shareholders with a simple majority of the votes cast.

Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund or Class concerned will be deposited in escrow at the *Caisse de Consignation*. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

#### *Split or consolidation of Classes of shares*

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

#### *Merger of Sub-Funds*

The Directors may decide to merge any Sub-Fund with another undertaking for collective investment qualifying as a UCITS (whether subject to Luxembourg law or not) or with another Sub-Fund of the Company.

Any such merger shall be decided by the Directors unless the Directors decide to submit the decision for a merger to a meeting of shareholders of the Sub-Fund concerned. No quorum is required for such a meeting and decisions are taken by a simple majority of the votes cast.

In case of a merger of a Sub-Fund where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders resolving in accordance with the quorum and majority requirements for changing the Articles of Incorporation.

Any such merger will be undertaken in accordance with the 2010 Law which provides, inter alia, that shareholders will be informed of such mergers and have the possibility to redeem their shares free of charge during 30 days prior to the last day on which such redemptions will be accepted.

#### *Split of Sub-Funds*

The Directors may decide the reorganisation of a Sub-Fund, by means of a division into two or more Sub-Funds. Such decision will be published in accordance with applicable laws and regulations. Such publication will normally be made one month before the date on which the reorganisation becomes effective in order to enable the shareholders to request redemption of their shares, free of charge, before the operation involving division into two or more Sub-Funds becomes effective.

## **24 DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINTS**

### *Documents available for inspection*

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

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

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

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the

procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to any fee, commission or non-monetary benefit paid or received in relation with the investment management and administration of the Company.

*Queries and complaints*

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

**25 APPLICABLE LAW**

The Luxembourg District Court is competent for all legal disputes between the shareholders and the Company and Luxembourg law applies. Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practices.

**26 BENCHMARK REGULATION**

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (also known as the "EU Benchmark Regulation") requires the Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Company shall comply with this obligation. Further information on the plan is available on request, free of charge, from the registered office of the Company.

The following benchmark is used by the Sub-Fund for the purpose indicated in the table below.

Sub-Fund	Benchmark	Benchmark Administration	Purpose
Rezco Global Flexible Fund	EEA Fund USD Flexible Allocation*	Morningstar Inc.	Performance measurement
ALIS AI Global Long/Short Neutral Equity Fund	Bloomberg Barclays Euro TSY-Bills 0-3 Months Index TR Index Unhedged EUR Index*	Bloomberg Index Services Limited	Performance measurement /Performance fee

As of the date of this Prospectus, the benchmark for each Sub-Fund is provided by an administration agent that is authorised or registered on the public register maintained by ESMA under the Benchmark Regulation or an administration agent that is availing of the transitional provisions.

The benchmarks marked with (\*) are provided by an administrator which is currently not included in the ESMA register of benchmark administrators. However, the use of this benchmark is permitted during the transitional period provided for in article 51 of the EU Benchmark Regulation (i.e. until 31 December 2023). The Prospectus will be updated without undue delay once further information on the benchmark administrator’s authorisation becomes available.

## APPENDIX 1

### GENERAL INVESTMENT RESTRICTIONS

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

I. The Company may invest in:

- (a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- (b) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within a year of the issue.
- (c) units of UCITS and/or Other UCI, whether established in a Member State or not, provided that:
  - such Other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unitholders in such Other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive, as amended;
  - the business of such Other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the Other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or Other UCIs.
- (d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is a Member State or if the registered office of the credit institution is situated in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
  - the underlying consists of instruments covered by this section (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund(s) may invest according to its/their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; 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 Company's initiative.

and/or

- (f) Money Market Instruments other than those dealt in on a Regulated Market, if the issuer 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 an EU Member State, the European Central Bank, the EU or the European Investment Bank, a third country 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;
  - 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 CSSF to be at least as stringent as those laid down by EU law; or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (g) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

## II. Each Sub-Fund may hold ancillary liquid assets.

- (a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same issuing body.
- (ii) The Company may not invest more than 20% of the total net assets of such Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) f) above or 5% of its net assets in other cases.
- (b) Moreover where the Company holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

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

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

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



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

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

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

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

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

- IV. (a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognized by the CSSF on the basis that it is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- (b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

Each Sub-Fund may acquire no more than:

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

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

The provisions of paragraph V. shall be waived as regards Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

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

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

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

- (b) The underlying investments held by the UCITS or Other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- (c) When the Company invests in the units of other UCITS and/or Other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or Other UCIs. Furthermore, no management fee may be charged at the level of the Company if such other UCITS and/or Other UCIs already charges such management fee. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and Other UCIs in which such Sub-Fund has invested during the relevant period.
- (d) A Sub-Fund may acquire no more than 25% of the units of the same UCITS and/or Other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or Other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all compartments combined.

- VII. In compliance with the applicable laws and regulations any Sub-Fund of the Company (hereinafter referred to as a "Feeder Sub-Fund") may be authorised to invest at least 85% of its assets in the units of

another UCITS or portfolio thereof (the "Master UCITS"). A Feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with II;
- financial derivative instruments, which may be used only for hedging purposes in accordance with I(1)(e), IX and XII;
- movable and immovable property which is essential for the direct pursuit of its business.

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

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

A Sub-Fund of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched or converted into a Master UCITS in the meaning of Article 77(3) of the 2010 Law.

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

- the Investing Sub-Fund may not invest more than 10% of its net asset value in a single Target Sub-Fund; and
- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund (s); and
- the Target Sub-Fund(s) whose acquisition is contemplated is not allowed to invest more than 10% of its(their) net asset value in UCITS and UCIs; and
- voting rights, if any, attaching to the shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

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

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following sub-paragraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restriction III. When the Company invests in

index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III.

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

- X. (a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible;
- (b) The Company may not grant loans to or act as guarantor on behalf of third parties.
- This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.
- (c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- (d) The Company may not acquire movable or immovable property.
- (e) The Company may not acquire either precious metals or certificates representing them.
- XI. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

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

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

- XII. Use of techniques and instruments relating to transferable securities and money market instruments

The Sub-Funds must comply with the requirements of ESMA Guidelines 2014/937 adopted by ESMA concerning ETFs and other UCITS issues as also specified within CSSF Circular 14/592 amending and/or supplementing the existing rules governing OTC derivative instruments, efficient portfolio management techniques and the management of collateral received in the context of such instruments and techniques.

A. General

The Company may employ the following techniques and instruments related to Transferable Securities and Money Market Instruments provided that such techniques or instruments are considered by the Directors as economically appropriate to the efficient portfolio management of the Company in accordance with the investment objectives of each Sub-Fund and Circular CSSF 14/592 relating to the Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues ("CSSF Circular 14/592").

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in the Sub-Fund specific text in this Prospectus. Such techniques and instruments may be used by any Sub-Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the extent permitted by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings

for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, (iii) CSSF Circular 14/592 and (iv) any other applicable laws and regulations.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits referred to in restriction III. above.

All revenues arising from efficient portfolio management techniques and/or total return swaps, net of direct and indirect operational costs and fees (if any), will be returned to the Sub-Fund concerned. At least a majority of the gross revenues arising from efficient portfolio management techniques and total return swap agreements will be returned to the Sub-Fund concerned.

In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques and/or total return swaps as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques (including total return swaps). Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary and/or the Investment Manager will be available in the annual report of the Company.

The Company may, for each Sub-Fund, enter into total return swap transactions. For the avoidance of doubt, total return swap transactions may be used for efficient portfolio management or investment purposes as may be further specified in the Sub-Fund Appendix. Where a Sub-Fund uses total return swaps this will be set out in the relevant Sub-Fund Appendix. The maximum and the expected proportion of each Sub-Fund's assets under management that can be subject to total return swaps will also be set out in the relevant Sub-Fund Appendix.

Any type of assets that may be held by each Sub-Fund in accordance with its investment objective and policies may be subject to total return swaps.

In selecting counterparties for each total return swap, the following criteria will be used: legal status, country of origin, minimum credit rating and regulated status of the counterparty. For example, the counterparty may be a body corporate located in an EEA member state.

#### B. Securities Lending Transaction

The Company may more specifically enter into securities lending transactions provided that the following rules are complied with in addition to the above-mentioned conditions:

- (i) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (ii) The Company may only lend securities to a borrower either directly or through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction;
- (iii) The Company may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

It is currently not intended that the Company enter into securities lending transactions. Should the Company decide to use such techniques in the future, the Company will update this Prospectus accordingly and will comply with the applicable regulations.

### C. Repurchase and reverse repurchase transactions

The Company may enter into repurchase agreements that consist of forward transactions at the maturity of which the Company (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Company may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Company (buyer) the obligation to return the assets purchased under the transactions. The Company may also enter into transactions that consist in the purchase/sale of securities with a clause reserving for the counterparty/Company the right to repurchase the securities from the Company/counterparty at a price and term specified by the parties in their contractual arrangements.

The Company's involvement in such transactions is, however, subject to the additional following rules:

- (i) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (ii) The Company may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

It is currently not intended that the Company enter into repurchase or reverse repurchase transactions. Should the Company decide to use such techniques in the future, the Company will update this Prospectus accordingly and will comply with the applicable regulations.

## XIII. Management of collateral and collateral policy

### A. General

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, each Sub-Fund concerned may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by a Sub-Fund in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

### (B) Eligible collateral

Collateral received by the relevant Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further described below. Collateral under a total return swap should be valued in accordance with the underlying assets and any accruing interests;
- (c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a member state of the OECD, Singapore or any member state of the Group of Twenty including the PRC or a public international body to which one or more Member States belong. In such event, the relevant Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's net asset value;
- (e) It should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty.

Subject to the above mentioned conditions, collateral received by the Sub-Funds may consist of:

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (d) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- (e) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (f) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Cash collateral received shall only be:

- placed on deposit with entities prescribed in the 2010 Law;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Ref. CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the relevant Sub-Fund. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

#### *Level of collateral*

Each Sub-Fund will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits

set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

With respect to securities lending, the relevant Sub-Fund will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least 100% of the total value of the securities lent. Repurchase agreement and reverse repurchase agreements will generally be collateralised, at any time during the lifetime of the agreement, at a minimum of 100% of their notional amount.

*Haircut policy*

Collateral will be valued on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Investment Manager for each asset class based on its haircut policy.

Collateral Instrument Type	Haircut Percentage
Cash	0%
Government Bonds 0-2 years	2%
Government Bonds: 2-5 years	5%
Government Bonds: 5+ years	10%

*Specification of any restrictions on the reuse of collateral*

There are generally no restrictions on the re-use of collateral received or provided by the Company to or from a counterparty in connection with a total return swap unless any Sub-Fund Appendix provides otherwise.



## APPENDIX 2

### SUB-FUND APPENDICES REZCO GLOBAL FLEXIBLE FUND

#### 1 Name of the Sub-Fund

Rezco SICAV – Rezco Global Flexible Fund (the "Sub-Fund")

#### 2 Base Currency

The Base Currency of the Sub-Fund is the USD.

The Investment Manager may decide to hedge or not to hedge the Sub-Fund's exposure to other currencies, if it considers this to be in the interest of the shareholders of the Sub-Fund.

Currency hedging (if any) will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a shareholder's exposure to the respective currencies in which the Sub-Fund's investments are denominated. There is no guarantee that any hedging will be effective. Where the currency exposure of the Sub-Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the Shareholders. Any costs incurred relating to the above-mentioned hedging will be borne by the Sub-Fund.

#### 3 Investment objective, strategy and policy

##### 3.1 Investment objective

The investment objective of the Sub-Fund is to achieve long term capital growth through investments in a portfolio of global asset classes by pursuing a global macro-economic strategy with a long-term investment horizon.

##### 3.2 Investment strategy

3.3 The strategy employed by the Sub-Fund starts with the fundamental and quantitative analysis of global economic, political, environmental and social factors and trends. The conclusions drawn from this analysis then lead to research in specific regions, sectors and industries. Conclusions drawn from the analysis will direct further research into areas identified as favourable for investment. The research for suitable investments will incorporate both qualitative factors as well as quantitative. The main focus will be on maximising total investment return consisting of dividend and interest income, capital appreciation and currency gains, and the Sub-Fund will invest in companies where valuation levels can be justified. The Sub-Fund makes use of AI technologies (as defined hereinafter) to facilitate its research and analysis for identifying investment opportunities to realise the Sub-Fund's investment objective.

3.4 The Sub-Fund seeks to enjoy a dynamic and flexible exposure to market risk, meaning that the Sub-Fund aims to take advantage of equity market opportunities. In order to reduce downside risks a heavier weighting of cash, fixed income and floating-rate securities, fixed deposits and money market instruments will be used to provide such downside risk management in periods of higher equity risk as assessed by the Investment Manager. The Sub-Fund does not have any predetermined emphasis on any geographic area, industry sector or market capitalization. The investment decisions will be taken by the Investment Manager according to its appreciation of which asset class, geographic area or industry sector offers the best investment opportunities, always within the restrictions as laid out by the 2010 Law, Appendix I "Investment Restrictions", and the investment limits set out below.

- 3.5 The objective of obtaining risk adjusted returns and long-term capital growth is to be achieved primarily through fundamental analysis and research applied by the Investment Manager to find suitable investment opportunities that would meet the objective of maximising long term capital growth.
- 3.6 Within these limits and if deemed appropriate in the interests of the shareholders of the Sub-Fund, the Investment Manager may overweight a single asset class, country or sector. As a result, the Investment Manager has full flexibility allowing potentially for either full investment of the Sub-Fund's assets in equities and equity-type securities and (e.g. in times of high market risk) potentially a full allocation of the Sub-Fund's assets to cash, fixed income and floating-rate securities, fixed deposits and money market instruments.
- 3.7 Investment policy
- 3.8 In order to achieve its investment objective, the Sub-Fund shall invest in the following assets:
- 3.9 The Sub-Fund may invest in individual equities and equity-type securities (including REITS of the closed-ended type). There is no restriction concerning the currencies in which these equities and equity-type securities are denominated, although any currency exposure other than the Base Currency may be hedged.
- 3.10 The Sub-Fund may invest in cash, fixed income or floating-rate securities of public, private or semi-private issuers (including convertible bonds).
- 3.11 There is no restriction in terms of duration of these fixed-income or floating-rate securities in which the Sub-Fund may invest.
- 3.12 The Investment Manager will, based on its review on the direction of interest rates, select an appropriate target for modified duration for the portfolio's cash, fixed interest or floating rate exposure. The interest rate directional view is formulated by analysing global macro-economic trends. Exposure to issuer risk is decided with reference to the interest rate spread offered by the security regarding whether it offers sufficient compensation for the additional risk assumed above the risk-free rate.
- 3.13 There is no restriction concerning the currencies in which these fixed-income or floating-rate securities are denominated, although any currency exposure other than the Base Currency may be hedged.
- 3.14 Fixed-income securities in which the Sub-Fund may invest include contingent convertible securities (up to 5% of its net assets), asset-backed securities and mortgage-backed securities (investment grade, up to 20% of its net assets), high yield bonds (up to 30% of its net assets) and exchange traded commodities (up to 10% its net assets).
- 3.15 The Sub-Fund may invest in shares or units of UCITS or Other UCIs (including UCITS compliant "exchange traded funds", so-called "ETF") up to 10% of its net assets in order to achieve exposure to the asset classes mentioned under items 1) and 2) above.
- 3.16 Further, the Sub-Fund may use financial derivative instruments, in particular, but not limited to futures and options, for hedging purposes or, in addition to techniques and instruments, in the interest of the efficient management of the portfolio. The overall risk associated with the derivatives must not exceed the total net assets of the Sub-Fund.
- 3.17 The Sub-Fund may invest in liquid assets including money-market instruments and fixed deposits with a term to maturity not exceeding 12 months at credit institutions.
- 3.18 There is no restriction concerning the currencies in which these liquid assets are denominated, although any currency exposure other than the Base Currency may be hedged.

3.19 The Sub-Fund will strive to attain a balanced mix of the asset classes under 1) and 2) above. It is within the context of applying the macro-economic strategy described under section 3.2 above more in detail with an intended long-term investment horizon that the balance between these asset classes will be made at the sole discretion of the Investment Manager after in depth fundamental research as to the market opportunities and risks, taking into account the interests of the shareholders. The Investment Manager may be of the view that - due to economic growth outlook - equities are undervalued and may place the exposure of the Sub-Fund towards equities and equity-type securities up to 100% of the Sub-Fund's net assets in order to maximize growth. Conversely the Investment Manager may be of the opinion that market risks are elevated and that interest-bearing instruments may offer higher relative yields with reduced risk and hence potentially invest up to 100% of the Sub-Fund's net assets in cash, fixed-income or floating-rate securities of public, private or semi-private issuers as well as money market instruments given the adverse market outlook.

3.20 The Sub-Fund engages autonomous learning (AI) algorithms (AI technologies) to provide machine learning produced signals for the selection of certain securities and the implementation of certain asset positioning for the Sub-Fund. For the avoidance of doubt, notwithstanding the signals generated by machine learning techniques provided by the AI technologies, the investment decision making process is carried out by the Investment Manager in alignment with the Sub-Fund's investment objective.

#### 4 Investment Manager

The Management Company has delegated the investment management of the Sub-Fund to Rezco Asset Management (PTY) Ltd. (the "Investment Manager").

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

#### 5 Profile of the typical investor

The Sub-Fund is suitable for investors looking to achieve long-term capital growth by taking advantage of the Sub-Fund's global multi-asset approach in periods of higher market risk as described further in detail in section 3.3 above.

#### 6 Global Exposure

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

#### 7 Leverage

In managing the Sub-Fund, the Investment Manager will not utilize leverage.

#### 8 Swing Pricing / Dilution Levy

In order to counter the effect of dilution in the Sub-Fund, the Investment Manager will apply a dilution levy, as further detailed under section 10.1 in the General Part of the Prospectus.

#### 9 Classes of shares available for subscription

<b>Class of Shares</b>	A
<b>Availability</b>	No restriction
<b>Reference Currency</b>	USD
<b>Minimum initial investment</b>	USD 50,000

<b>Minimum holding amount</b>	USD 20,000
<b>Minimum subsequent investment</b>	USD 10,000
<b>Dividend policy</b>	Accumulation

## 10 Fees and expenses

<b>Class of Shares</b>	A	
<b>Management Company Fee</b>	Up to 0.045 % p.a.	
<b>Investment Management Fee</b>	0.65 % p.a.*	0.50 % p.a.**
<b>Global Distributor Fee</b>	0.45 % p.a.*	0.30 % p.a.**
<b>Subscription charge</b>	n/a	
<b>Redemption charge</b>	n/a	
<b>Conversion charge</b>	n/a	
<b>AI Technology License Fee</b>	n/a*	0.30% p.a.**

\* Annual percentage payable up to 28 February 2022.

\*\* Annual percentage payable from 1 March 2022.

The Sub-Fund licenses the use of the AI technologies from the appointed artificial intelligence technology service provider for which it will pay a fee ("AI Technology License Fee").

The Investment Manager may, at its entire discretion, either waive part of or all the Investment Management Fee to which it is entitled or bear some of the charges and expenses of the Company.

## 11 Valuation Day/Net Asset Value calculation

The Net Asset Value per share of each Class will be calculated on each Business Day (the "Valuation Day").

## 12 Subscription

### 12.1 Subscriptions during the Initial Offer Period

The Sub-Fund was launched on 15 December 2017 by the merger into the Sub-Fund of an existing Luxembourg UCITS sub-fund managed by the Investment Manager, at a price per share based on the latest net asset value of this merging sub-fund.

### 12.2 Subscriptions after the Initial Offer Period

Shares will be issued at a price based on the Net Asset Value per share calculated on the relevant Valuation Day increased, as the case may be, by any applicable subscription charge.

Applications must be received by the Registrar and Transfer Agent no later than 14:00 pm (Luxembourg time) on the Business Day before the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Subscription monies must be settled on the Business Day on which the relevant Shares are subscribed for. The Directors may, at their discretion, waive the minimum investment restrictions pertaining to any class of shares of the Sub-fund.

In case an application for subscription is rejected by the Directors, the application monies will immediately be returned to the investor.

Subscription requests can be made for a full number of shares or for an amount in cash.

### 13 Redemption

Shares will be redeemed at a price based on the Net Asset Value per share calculated on the relevant Valuation Day less, as the case may be, any applicable redemption charge.

Applications must be received by the Registrar and Transfer Agent no later than 14:00 pm (Luxembourg time) on the Business Day before the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Settlement of redeemed Shares will normally be made in accordance with the instructions given to the Registrar and Transfer Agent no later than five (5) Business Days after the relevant Valuation Day provided that shareholders have provided original settlement details.

### 14 Conversion

Shareholders may not request conversion of their shares from one Class to another Class within the Sub-Fund.

Shareholders may request conversion of their shares from one Class to another Class of another Sub-Fund of the Company.

Applications must be received by the Registrar and Transfer Agent no later than 14:00 pm (Luxembourg time) on the Business Day before the relevant Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

### 15 Securities Financing and Transactions and Total Return Swaps

Maximum proportion of SFTs as a % of AUM	Expected percentage of SFTs as a % of AUM	Maximum proportion of total return swaps as a % of AUM	Expected percentage of total return swaps as a % of AUM
0%	0%	65%*	33%

\*Due to the fact that the Sub-Fund implements a strategy that covers a global market strategy, the use of total-return swaps ensures efficient implementation of positions required whether for exposure or hedging of positions. Furthermore, the use of total-return swaps to implement part of the investment strategy as stated is the most operationally efficient and cost effective approach.

For the avoidance of doubt, the Sub-Fund does not use SFTs. Total return swaps, however, will be used on a continued basis for efficient portfolio management and investment purposes.

If at a future point in time the Sub-Fund decides to make use of SFTs, this Prospectus will be updated accordingly.

### 16 Dividends

The Directors do not intend to declare dividends for the current Classes. Accordingly, the Sub-Fund's income is reflected in the Net Asset Value per share.

## 17 Historical Performance

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

## 18 Taxonomy Regulation disclosures

Given the Sub-Fund's investment focus and the asset classes/sectors it invests, the Investment Manager does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The "environmentally sustainable economic activity" has the following definition:

In accordance with the Taxonomy Regulation, an underlying investment of the Sub-Fund shall be considered as environmentally sustainable where its economic activity:

- (a) contributes substantially to one or more of the environmental objectives, as prescribed in the Taxonomy Regulation (the "Environmental Objectives");
- (b) does not significantly harm any of the Environmental Objectives, in accordance with the Taxonomy Regulation;
- (c) is carried out in compliance with minimum safeguards, prescribed in the Taxonomy Regulation; and
- (d) complies with technical screening criteria established by the European Commission in accordance with the Taxonomy Regulation.

## 19 Risk Warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the section "Risk Consideration" in the General Part of the Prospectus.

Deep Learning / Artificial Intelligence techniques. The Sub-Fund will rely on multidimensional data feeds, which can be structured in a similar manner to charts or tables incorporating certain metrics, utilised by AI technologies using machine learning techniques to produce signals similar to what a traditional investment team would analyze on a day-to-day basis but on a greater scale. Any errors or inaccuracies in such multidimensional data feeds may adversely affect the signals on which investment decisions for the Sub-Fund is based. Despite sound back-testing, the Sub-Fund may not be able to verify or otherwise ensure that there are no errors or inaccuracies in the multidimensional data feeds used to train the AI technologies to initiate the appropriate signals. Such errors or inaccuracies could result in poor investment decisions, and may result in losses.

Cybersecurity risk. The Sub-Fund will utilise artificial intelligence for the purposes of achieving its investment objective, strategy and policy. It will rely on computer programs and systems (and may rely on new systems and technology in the future) of the Investment Manager and the AI Technology Company for various purposes. The Investment Manager and/or the AI Technology Company may in turn depend on other third party information technology systems. The Sub-Fund is susceptible to greater operational and information security risks through beaches in cybersecurity. Intentional cybersecurity breaches include: unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data, the inability to access electronic systems (denial of services), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Sub-Fund, the Investment Manager or other

service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, such incidents could cause the Sub-Fund's investments to lose value.

IT Infrastructure Risk. The AI model is developed and maintained using Google Cloud Platform's Cloud Infrastructure. The exchange is fundamentally dependent on automated and computerised technology which may contain programming errors or which ineffectively incorporates or translates the data collected. Further, unplanned outages would affect the Investment Manager's ability to update the portfolio and could constrain the Sub-Fund's ability to properly manage its portfolio.

Data Quality Risk. The multidimensional data feeds used by the AI technologies to produce signals are dependent on data from third party data vendors. Notwithstanding the diligence that the Board, or third parties on its behalf, may perform on such third party data vendors, the Board may not be in a position to verify the risks or reliability of such third party data vendors or the data provided by them. Further, although this data is strenuously reviewed and checked for correctness prior to use, there is a risk that lower quality data will impair the exchanges and thus adversely affect the Sub-Fund's portfolio.

Operational Risk. The Sub-Fund depends on the Investment Manager and the AI Technology Company to develop and maintain appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of the Investment Manager's and/or the AI Technology Company's operations. Operational risks arising from service outages experienced by internet and cloud computing service providers may cause the Sub-Fund to suffer financial loss, regulatory intervention, disruption to its business or reputational damage. In addition, investors should note that the Reference Currency of the Sub-Fund is USD, and although the Investment Manager has the ability to hedge the Sub-Fund's exposure to movements in other currencies, there is the risk that any foreign currency exposure will not be fully or successfully hedged and that the Sub-Fund's Net Asset Value could move down due to a fall in the value of non-USD currencies against the USD. Where the Investment Manager decides to hedge part or all of a currency exposure, the hedging process may from time to time result in a small residual currency exposure due to market movements.

Investments of the Sub-Fund might include investments in Emerging Market Countries. The probable returns on securities of issuers from Emerging Market Countries are generally higher than the returns on similar securities of equivalent issuers from developed, industrialized countries. However, the higher return should be viewed as compensation for the greater risk to which the investor is exposed.

Investment in Emerging Market Countries involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investments may be made, including expropriation, nationalisation or other confiscation, could result in the loss to the Sub-Fund.

By comparison with more developed securities markets, most Emerging Market Countries' securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing, safe custody and registration procedures may be underdeveloped, enhancing the risks of error, fraud or default.

Furthermore, the legal infrastructure and accounting, auditing and reporting standards in Emerging Market Countries may not provide the same degree of investor information or protection as would generally apply in more developed markets.

## APPENDIX 3

### SUB-FUND APPENDICES ALIS AI GLOBAL LONG/SHORT MARKET NEUTRAL EQUITY FUND

#### 1 Name of the Sub-Fund

ALIS AI Global Long/Short Market Neutral Equity Fund (the "Sub-Fund")

#### 2 Base Currency

The Base Currency of the Sub-Fund is the EUR.

#### 3 Investment objective, strategy and policy

##### 3.1 Investment objective

The investment objective of the Sub-Fund is to seek absolute return through the application of autonomous learning (Artificial Intelligence) investment strategies that predict the relative return of assets within a constituent universe.

##### 3.2 Investment strategy

The Sub-Fund will seek to achieve its investment objective by employing an AI driven market neutral strategy that gains exposure to long and short equity positions.

The autonomous learning (AI) algorithms utilized by the strategy replicate a fundamentals based value investment approach (the "ALIS AI Technology"). The proprietary algorithms ingest multidimensional data feeds similar to the charts and signals a traditional fundamentals based investment team would analyze on a day to day basis. The algorithms are trained using Deep Learning (a type of Artificial Intelligence technique) to extract and combine higher level features from input data in order to predict the relative degree to which a particular asset is under or overvalued.

The Investment Manager quantitatively selects the set of securities to hold in the portfolio based on the predictions of the ALIS AI Technology. This portfolio is then structured using a proprietary portfolio risk optimization engine ("the ALIS Portfolio Optimizer") that defines the long and short exposures of the portfolio. The long and short exposures are defined such that the net exposure of the portfolio is market neutral i.e. is not exposed to systematic market risk (ex-ante beta to the market portfolio).

The effectiveness of the investment objective will be measured against the Bloomberg Barclays Euro TSY-Bills 0-3 Months Index TR Index Unhedged EUR Index (LEB2TREU Index) for performance fee purposes.

##### 3.3 Investment policy

In order to achieve its investment objective, the Sub-Fund will invest, directly and indirectly (for example through derivatives, structured products or investment funds) in equities and equity-type transferable securities (including but not limited to, total return swaps, ADRs, GDRs, related derivative instruments and/or REITS of the closed-ended type) of issuers worldwide (including emerging countries) and denominated in any freely convertible currency except in cases of i) extreme market events and/or ii) if the Investment Manager believes, in its reasonable opinion, that the historical observations used by the ALIS AI Technology are insufficiently representative of the current market environment. In such cases, the exposure may be substantially lower than the aforementioned limit until such time as i) in cases of extreme market events, such extreme market events have ceased or ii) in case of anomalous observations, for a limited period of time required to take corrective action.

The Sub-Fund pursues its investment objective by taking both long and short positions in a variety of equity instruments. The Sub-Fund expects to maintain long positions primarily through the use of swap agreements and other derivative instruments, such as futures, and may invest in such instruments without limitation. The Sub-Fund may enter into long positions through direct investment. The Sub-Fund is only permitted to maintain short



positions through the use of swap agreements and other derivative instruments, such as futures, and may invest in such instruments without limitation. The use of both long and short positions better enables the Sub-Fund to seek to produce returns that have low correlation to those available by investing in the market as a whole. A long position arises where the Sub-Fund holds a security in its portfolio or maintains a position through a derivative instrument that provides economic exposure similar to direct ownership of the security. The Sub-Fund will have a short position where it has entered into a derivative instrument that provides economic exposure similar to a short sale of the security.

The Sub-Fund may invest in shares or units of UCITS or Other UCIs for up to 10% of its net assets in order to achieve exposure to the asset classes mentioned above.

The Sub-Fund may, subject to the restrictions contained in the main part of the Prospectus, use financial derivative instruments, in particular, but not limited to futures and options, for hedging, investment and efficient portfolio management purposes.

The Sub-Fund may, within the limits of the investment restrictions of the main part of this Prospectus and as set out above, invest, directly or indirectly, in other eligible transferable securities, Money Market Instruments, deposits, financial derivative instruments, fixed income securities and other transferable securities whose returns are linked to the performance of an index, currencies or interest rates of issuers worldwide. Fixed-income securities in which the Sub-Fund may invest include contingent convertible securities (up to 5% of its net assets), asset-backed securities and mortgage-backed securities (investment grade, up to 20% of its net assets) and high yield bonds (up to 30% of its net assets).

The choice of investments will not be limited to a particular geographical region (including emerging countries), sector of the economy or currency. However, depending on market conditions, investments may be concentrated in a single sector of the economy and/or currency and/or in a limited number of geographical regions.

If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes only, the Sub-Fund may also hold up to 100% of its net assets in liquid assets such as but not limited to cash deposits, Money Market Instruments, highly rated fixed income instruments, treasury bills and/or UCIs whose principal objective is to invest in the foregoing.

#### 4 Investment Manager

The Management Company has delegated the investment management of the Sub-Fund to Rezco Asset Management (PTY) Ltd. (the "Investment Manager").

#### 5 Profile of the typical investor

The Sub-Fund is suitable for investors looking to achieve capital growth through exposure to market neutral long/short equity strategies.

#### 6 Global Exposure

The global exposure relating to this Sub-Fund will be calculated using the absolute VaR approach.

The expected level leverage of this Sub-Fund should be 200% of its NAV when calculated in accordance with the sum of notionals approach. The level of leverage is not expected to exceed 300% of its NAV.

#### 7 Swing Pricing / Dilution Levy

In order to counter the effect of dilution in the Sub-Fund, the Investment Manager will apply a dilution levy, as further detailed under section 10.1 in the General Part of the Prospectus.

8 Classes of shares available for subscription

<b>Class of Shares</b>	Z (acc)	A-EUR (acc)	R-EUR (acc)	I-EUR(acc)
<b>Availability</b>	Institutional Investor	Institutional Investor	Retail Investor	Institutional Investor
<b>Reference Currency</b>	EUR	EUR	EUR	EUR
<b>Minimum initial investment</b>	EUR 45,000	EUR 45,000	EUR 20,000	EUR 2,000,000
<b>Minimum holding amount</b>	EUR 45,000	EUR 45,000	EUR 20,000	EUR 2,000,000
<b>Minimum subsequent investment</b>	EUR 10,000	EUR 10,000	EUR 5,000	EUR 100,000
<b>Dividend policy</b>	Accumulation	Accumulation	Accumulation	Accumulation

The Directors may, at their discretion, restrict the availability of share classes to certain categories of investors. Class A-EUR shares are exclusively reserved for other funds within the Rezco group.

<b>Class of Shares</b>	<b>Z (acc)</b>	<b>A-EUR(acc)</b>	<b>R-EUR(acc)</b>	<b>I-EUR(acc)</b>
<b>Management Company Fee</b>	0.045 % p.a. <i>subject to a minimum monthly fee of EUR 4000 per Sub-Fund</i>	0.045 % p.a. <i>subject to a minimum monthly fee of EUR 4000 per Sub-Fund</i>	0.045 % p.a. <i>subject to a minimum monthly fee of EUR 4000 per Sub-Fund</i>	0.045 % p.a. <i>subject to a minimum monthly fee of EUR 4000 per Sub-Fund</i>
<b>Performance Fee</b>	0.0 % p.a.	0.0 % p.a.	0.0%	15 % participation rate (2.0% cap)
<b>Investment Management Fee</b>	0.0 % p.a.	0.450 % p.a.	0.200 % p.a.	0.100 % p.a.
<b>Global Distributor Fee</b>	0.0 % p.a.	0.450 % p.a.	0.255 % p.a.	0.105 % p.a.
<b>AI Technology License Fee</b>	0.0 % p.a.	0.555 % p.a.	1.000 % p.a.	0.500 % p.a.
<b>Subscription charge</b>	0.0 %	0.1 %	0.1 %	0.1 %
<b>Redemption charge</b>	0.0 %	0.1 %	0.1 %	0.1 %
<b>Conversion charge</b>	0.0 %	0.0 %	0.0 %	0.0 %

A subscription, redemption or conversion charge at the rates set out above of the Net Asset Value per share subscribed, redeemed or converted may be charged in relation to the Classes of Shares of this Sub-Fund. In the event a subscription or redemption charge is charged in relation to a Classes of Shares of this Sub-Fund, the amount charged in respect of a particular Class of Shares will be identical for all subscriptions and/or redemptions of the particular Class of Shares for a given day. Any such subscription or conversion charge will be paid to the Company, which may in turn pay all or part of such fees received to any financial intermediaries and other persons involved in the distribution of shares as commissions or other fees. The redemption charge, if any, will be paid to the Company and will be allocated back to the Sub-Fund and Share Class concerned in order to benefit the remaining investors. The Company may, at its sole discretion, waive all or part of any subscription, redemption or conversion charge.

The Investment Manager may, at its entire discretion, either waive part of or all the Investment Management Fee and Performance Fee to which it is entitled or bear some of the charges and expenses of the Company. The Investment Manager may also retrocede part of the Investment Management Fee and/or Performance Fee to compensate financial intermediaries and distributors.

The Sub-Fund licenses the use of the ALIS AI Technology from the appointed artificial intelligence technology service provider ("AI Technology Company") for which it will pay a fee ("AI Technology License Fee").

## Performance fee

The Investment Manager is entitled to a Performance Fee on the basis of the following:

The Performance Fee of the relevant Class of shares, corresponding to the outperformance of the Benchmark (in the relevant Base Currency) +5% at the rate indicated in the table above.

In respect to Class I-EUR(acc), which was launched on 11 December 2020, no performance fee was paid to the Investment Manager for the period 11 December 2020 to 31 December 2020. The first Performance Fee calculation period for Class I-EUR(acc) commenced on 1 January 2021 and ended on 31 December 2021. The Performance Fee will be calculated in respect of each period of twelve (12) months beginning on 1 January and ending on 31 December of the same year ("Calculation Period").

The Performance Fee will be calculated and accrued on each Valuation Day and will be payable to the Investment Manager in arrears within 14 days of the end of each Calculation Period.

No Performance Fee will be payable in respect of subsequent Calculation Periods until any underperformance in a given Calculation Period has been compensated during the relevant five (5) year period (each such period, on a rolling basis, a "Performance Reference Period"), provided that such underperformance will not be brought forward to the sixth (6<sup>th</sup>) year. Only at the end of the relevant rolling five (5) years Performance Reference Period may unrecovered losses (if any) be partially adjusted on a yearly rolling basis by writing off the loss incurred during the first year of the relevant Performance Reference Period of the Class of shares. Within the relevant Performance Reference Period, losses incurred during any given year will be offset by gains made within the following years of the Performance Reference Period.

Relevant mechanisms are in place in order to set off the effect of artificial increases resulting from new subscriptions when evaluating the Sub-Fund's performance. The mechanisms used are (i) the application of income equalisation to provide for the equitable apportionment of income splits: this equalisation ensures that the level of net income accrued within a Fund and attributable to each Share is not affected by the issue, conversion, or redemption of Shares during a distribution or accumulation period. Therefore, those investors that are redeeming would sell their income portions when they redeem and new investors would buy into accrued income which has accumulated within a given Class up to the time that they invest: this ensures that no investor is disadvantaged by new investors coming into the fund; and (ii) the use of the lower of (x) total Net Asset Value of the relevant Class of Shares at the date of calculation or (y) the five (5) year moving average of the total Net Asset Value of the relevant Class of Shares for purposes of the calculation of Performance Fees (i.e. the lower of the 5 year moving average of the current daily total Net Asset Value of the Class of Shares and the then current total Net Asset Value of the Class of Shares is used for Performance Fee calculations). For the avoidance of doubt, a Performance Fee will not be payable where the Sub-Fund has outperformed the Benchmark +5% at the rate indicated in the table above but has had a negative performance. Likewise, a Performance Fee will not be payable where the Sub-Fund has not recouped underperformance previously incurred during the relevant Performance Reference Period.

The Performance Fee will crystallize on 31 December of each year. The crystallized Performance Fee, if any, will be paid annually in arrears within 30 days after the end of the Calculation Period. In line with the principle of equal treatment of investors, if shares are redeemed at a date other than the end date of the Calculation Period, when a Performance Fee has been provisioned, the portion of the Performance Fee attributable to redeemed shares shall be crystallized and paid at the end of the Calculation Period.

The Performance Fee ("PF") shall be calculated per the formula set out below:

$$PF = PR * (PC - (BM + 5\%)) * NAV$$

Where

PF = Performance Fee

PR= the participation rate as defined below

PC= the return of the Sub-Fund participatory interest as defined below

BM= Benchmark as defined below

NAV = net asset value as defined below

Where  $PR*(PC-(BM+5\%))$  will be capped as specified in the table above

The participation rate ("PR") shall be:

- (a) Nil, if the Sub-Fund return ("PC") is either negative or less than the BM +5%
- (b) The performance fee rate of the respective share class as specified in the table above if the Sub-Fund return ("PC") exceeds that of the BM +5%.

For purposes of calculating the performance related charge rate, the daily return ("PC") of the Sub-Fund shall be the percentage change in the participatory interest price, as defined by the formula below:

$$PC = ((A1 - A0) / A0) \times 100$$

Where:

A = the per participatory interest aggregate market value of the underlying securities in the Sub-Fund including, the per participatory interest aggregate of all income earned and accrued for the relevant period up to the day relevant for calculation, net of all Sub-Fund expenses, accrued or expensed over the relevant period.

0 = the start of the relevant period

1 = the end of the period

The Benchmark ("BM") for the calculation of the Performance Fee on the Sub-Fund shall be the Bloomberg Barclays Euro TSY-Bills 0-3 Months Index TR Index Unhedged EUR Index (LEB2TREU Index).

The net asset value ("NAV") is the market value of all securities within the relevant Class plus any accrued income less allowable deductions. The lower of the average daily NAV over the Calculation Period or the current daily NAV is used in the above calculation.

The table and description below is for illustrative purposes only. It demonstrates that the Investment Manager may only receive a Performance Fee where the Sub-Fund has outperformed the BM for the Calculation Period. It assumes that there are no unrecouped underperformance during the Performance Reference Period (for an illustration on the latter, please refer to the table and description on the next page).

Scenario	Start NAV	Ave NAV	End NAV	Fund Performance	Benchmark Performance+5 %	Fund Relative Performance	Perf Fee Due (Yes/No)	Perf Fee (%)	Perf Fee Due as % of End NAV
#1	100 mil	130 mil	150 mil	20%	10%	10%	Yes	1.5%	1.3%
#2	120 mil	100 mil	90 mil	-10%	5%	-15%	No	0	0
#3	130 mil	165 mil	200 mil	5%	10%	-5%	No	0	0
#4	150 mil	125 mil	100 mil	10%	5%	5%	Yes	0.75%	0.75%
#5	100 mil	130 mil	150 mil	25%	2%	23%	Yes	2%	1.73%

#### #Scenario 1

An investor buys shares in the Sub-Fund at the start NAV of a EUR 100 million. The investor still holds the shares at the end of the Financial Year when the end NAV is EUR 150 million. During the period, the Sub-Fund outperformed the benchmark by 10% and is therefore entitled to a performance fee of 1.5% (15% x 10%).

However, the performance fee is applied to the average investor NAV during the period, which is EUR 130 million. Therefore, the investor will pay a performance fee 1.3% (1.5% x EUR 130 million / EUR 150 million). Thus, the investor will pay EUR 1.3 for every EUR 100 invested over the measured period.

#Scenario 2

An investor buys shares in the Sub-Fund at the start NAV of a EUR 120 million. The investor still holds the shares at the end of the Financial Year when the end NAV is EUR 90 million. During the period, the Sub-Fund outperformed the benchmark by 5% but still had negative performance. The investor will therefore not pay a performance fee.

#Scenario 3

An investor buys shares in the Sub-Fund at the start NAV of a EUR 130million. The investor still holds the shares at the end of the Financial Year when the end NAV is EUR 200 million. During the period, the Sub-Fund underperformed relative to the benchmark. The investor will therefore not pay a performance fee.

#Scenario 4

An investor buys shares in the Sub-Fund at the start NAV of a EUR 150 million. The investor still holds the shares at the end of the Financial Year when the end NAV is EUR 100 million. During the period, the Sub-Fund outperformed the benchmark by 5% and is therefore entitled to a performance fee of 0.75% (15% x 5%). However, the performance fee is applied to the End NAV as it is lower than the average NAV during the period. Therefore, the investor will pay a performance fee 0.75 % (0.75% x EUR 100 million / EUR 100 million). Thus, the investor will pay EUR 0.75 for every EUR 100 invested over the measured period.

#Scenario 5

An investor buys shares in the Sub-Fund at the start NAV of a EUR 100 million. The investor still holds the shares at the end of the Financial Year when the end NAV is EUR 150 million. During the period, the Sub-Fund outperformed the benchmark by 23% and is therefore entitled to a performance fee of 2% maximum. However, the performance fee is applied to the average investor NAV during the period, which is EUR 130 million. Therefore, the investor will pay a performance fee 1.73 % (2% x EUR 130million / EUR 150 million). Thus, the investor will pay EUR 1.73 for every EUR 100 invested over the measured period.

The table and description below is for illustrative purposes only. It demonstrates that the Investment Manager may only receive a Performance Fee where the Sub-Fund has outperformed the BM for the Calculation Period and when prior losses during the Performance Reference Period have been recouped (the colours in the table below represent recouping of underperformance during a relevant Performance Reference Period).

Year	Net Fund performance compared to benchmarks	Underperformance to be compensated in the following year	Payment of performance fess
Y1	5%	0%	YES
Y2	2%	0%	YES
Y3	-8%	-8%	NO
Y4	1%	-7%	NO
Y5	2%	-5%	NO
Y6	1%	-4%	NO
Y7	1%	-3%	NO
Y8	0%	0%	NO

Y9	2%	0%	YES
Y10	-5%	-5%	NO
Y11	1%	-4%	NO
Y12	2%	-2%	NO
Y13	-2%	-4%	NO
Y14	0%	-2%	NO
Y15	4%	0%	YES

## Loss recoup

In accordance with the ESMA Q&A on the Application of the UCITS Directive (see [Q&A on the application of the UCITS Directive \(europa.eu\)](#)), during the two Performance Reference Periods for Y3 to Y7 and Y10 to Y14 marked in orange and yellow (respectively) above, no Performance Fee will be due because losses incurred in the first year of each of the relevant Performance Review Periods have not been recovered at the end of each of the respective Performance Review Periods. With respect to Y15, a Performance Fee will, however, be due since the underperformance occurred more than five (5) years prior.

## 10 Valuation Day/Net Asset Value calculation

The Net Asset Value per share of each Class will be calculated on each Business Day (the "Valuation Day").

## 11 Subscription

### 11.1 Subscriptions during the Initial Offer Period

The Sub-Fund was launched on or about 11 December 2020, or such earlier or later date as the Directors may decide and made available at the registered office of the Company and the Management Company. The Initial Subscription Price is set at EUR 100.

### 11.2 Subscriptions after the Initial Offer Period

Shares will be issued at a price based on the Net Asset Value per share calculated on the relevant Valuation Day increased, as the case may be, by any applicable subscription charge.

Applications must be received by the Registrar and Transfer Agent no later than 14:00 pm (Luxembourg time) on the Business Day before the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Subscription monies must be settled on the Business Day on which the relevant Shares are subscribed for. The Directors may, at their discretion, waive the minimum investment restrictions pertaining to any class of shares of the Sub-fund.

Subscription requests can be made for a full number of shares or for an amount in cash.

## 12 Redemption

Shares will be redeemed at a price based on the Net Asset Value per share calculated on the relevant Valuation Day less, as the case may be, any applicable redemption charge.

Applications must be received by the Registrar and Transfer Agent no later than 14:00 pm (Luxembourg time) on the Business Day before the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Settlement of redeemed Shares will normally be made in accordance with the instructions given to the Registrar and Transfer Agent no later than five (5) Business Days after the relevant Valuation Day provided that shareholders have provided original settlement details.

### 13 Conversion

Shareholders may request conversion of their shares from one Class to another Class of another Sub-Fund of the Company. The Directors may, at their discretion, may approve or reject a conversion request.

Applications must be received by the Registrar and Transfer Agent no later than 14:00 pm (Luxembourg time) on the Business Day before the relevant Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

### 14 Securities Financing and Transactions and Total Return Swaps

Maximum proportion of SFTs as a % of AUM	Expected percentage of SFTs as a % of AUM	Maximum proportion of total return swaps as a % of AUM	Expected percentage of total return swaps as a % of AUM
0%	0%	100%*	100%

\*Due to the fact that the Sub-Fund implements a market-neutral strategy, the use of total-return swaps ensures efficient implementation of the long and short positions required to give effect to the strategy. Furthermore, the use of total-return swaps to implement the investment strategy as stated is the most operationally efficient and cost effective approach.

For the avoidance of doubt, the Sub-Fund does not use SFTs. Total return swaps, however, will be used on a continued basis for efficient portfolio management and investment purposes.

If at a future point in time the Sub-Fund decides to make use of SFTs, this Prospectus will be updated accordingly.

### 15 Taxonomy Regulation disclosures

Given the Sub-Fund’s investment focus and the asset classes/sectors it invests, the Investment Manager does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The “environmentally sustainable economic activity” has the following definition:

In accordance with the Taxonomy Regulation, an underlying investment of the Sub-Fund shall be considered as environmentally sustainable where its economic activity:

- (a) contributes substantially to one or more of the environmental objectives, as prescribed in the Taxonomy Regulation (the "Environmental Objectives");
- (b) does not significantly harm any of the Environmental Objectives, in accordance with the Taxonomy Regulation;
- (c) is carried out in compliance with minimum safeguards, prescribed in the Taxonomy Regulation; and
- (d) complies with technical screening criteria established by the European Commission in accordance with the Taxonomy Regulation.



Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the section "Risk Consideration" in the General Part of the Prospectus.

Deep Learning / Artificial Intelligence techniques. To conduct such training of the Sub-Fund's models, the Sub-Fund will rely on multidimensional data feeds structured to be similar to the charts and signals a traditional investment team would analyze on a day to day basis. Any errors or inaccuracies in such multidimensional data feeds may adversely affect the Fund's models and the investment decisions of the Fund based upon such models. The Sub-Fund may not be able to verify or otherwise ensure that there are no errors or inaccuracies in either the multidimensional data feeds used to train the Sub-Fund's models, or the Sub-Fund's models trained thereby. Errors or inaccuracies in the multidimensional data feeds used to train the Sub-Fund's models or in the Sub-Fund's models could result in poor investment decisions, and may result in losses.

Derivatives Risk. The Sub-Fund's use of derivatives may increase its costs, reduce the Sub-Fund's returns and/or increase volatility. Derivatives involve significant risks, including:

**Volatility Risk** — Volatility is defined as the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. A risk of the Sub-Fund's use of derivatives is that the fluctuations in their values may not correlate with the overall securities markets.

**Counterparty Risk** — Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfil its contractual obligation.

**Market and Illiquidity Risk** — The possible lack of a liquid secondary market for derivatives and the resulting inability of the Sub-Fund to sell or otherwise close a derivatives position could expose the Sub-Fund to losses and could make derivatives more difficult for the Sub-Fund to value accurately.

**Valuation Risk** — Valuation may be more difficult in times of market turmoil since many investors and market makers may be reluctant to purchase complex instruments or quote prices for them.

**Hedging Risk** — Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the Sub-Fund's hedging transactions will be effective. The use of hedging may result in certain adverse tax consequences.

**Tax Risk** — Certain aspects of the tax treatment of derivative instruments, including swap agreements and commodity-linked derivative instruments, are currently unclear and may be affected by changes in legislation, regulations or other legally binding authority. Such treatment may be less favorable than that given to a direct investment in an underlying asset and may adversely affect the timing, character and amount of income the Sub-Fund realizes from its investments.

**Regulatory Risk** — Derivative contracts, including, without limitation, swaps, currency forwards and non-deliverable forwards, are subject to regulation under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") in the United States and under comparable regimes in Europe, Asia and other non-U.S. jurisdictions. Under the Dodd-Frank Act, certain derivatives are subject to margin requirements and swap dealers are required to collect margin from the Sub-Fund with respect to such derivatives. Specifically, regulations are now in effect that require swap dealers to post and collect variation margin (comprised of specified liquid instruments and subject to a required haircut) in connection with trading of over-the-counter ("OTC") swaps with the Sub-Fund.

**Swaps** — Swap agreements, including total return swaps that may be referred to as contracts for difference, are two-party contracts entered into for periods ranging from a few weeks to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which can be adjusted for an interest factor. Swap agreements involve the risk that the party with whom the Sub-Fund has entered into the swap will default on its obligation to pay the Sub-Fund and the risk that the Sub-Fund will not be able to meet its obligations to pay the other party to the agreement. Swap agreements may also involve the risk that there is an imperfect correlation between the return on the Sub-Fund's obligation to its counterparty and the return on the referenced asset. In addition, swap agreements are subject to market and illiquidity risk, leverage risk and hedging risk. The income

tax treatment of swap agreements is unsettled and may be subject to future legislation, regulation or administrative pronouncements. If future guidance limits the Sub-Fund's ability to use derivatives, the Sub-Fund may have to find other ways of achieving its investment objective.

High Portfolio Turnover Risk. The Sub-Fund may engage in active and frequent trading of its portfolio securities. High portfolio turnover (more than 100%) may result in increased transaction costs to the Sub-Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities. The sale of Sub-Fund portfolio securities may result in the realization and/or distribution to shareholders of higher capital gains or losses as compared to a portfolio with less active trading policies. These effects of higher than normal portfolio turnover may adversely affect the Sub-Fund's performance.

Leverage Risk. The use of derivatives can have a major impact, either positive or negative, on the value of the Sub-Fund's assets. To determine the leverage, the nominal values of the derivatives are calculated with the sum of notionals and divided by the Net Asset Value of the Sub-Fund. The expected level of leverage disclosed under the Global Exposure section is an indicative level and is not a regulatory limit. The Sub-Fund's actual level of leverage might significantly exceed the expected level from time to time, however, the use of derivative instruments will remain consistent with the Sub-Fund's investment objective and risk profile and comply with its VaR limit.

Quantitative Trading. The Sub-Fund may engage in quantitative trading. Quantitative trading strategies are highly complex, and, for their successful application, require relatively sophisticated mathematical calculations and relatively complex computer programs. These trading strategies are dependent upon various computer and telecommunications technologies and upon adequate liquidity in the markets traded. The successful execution of these strategies could be severely compromised by, among other things, a diminution in the liquidity of the markets traded, telecommunications failures, power loss and software-related "system crashes." There are also periods when even an otherwise highly successful system incurs major losses due to external factors dominating the market, such as natural catastrophes and political interventions. In addition, the difference between the expected price of a trade and the price at which a trade is executed, or "slippage," may be significant and may result in losses.

Artificial Intelligence Risk. The Sub-Fund will utilise artificial intelligence for the purposes of achieving its investment objective, strategy and policy. It will rely extensively on computer programs and systems (and may rely on new systems and technology in the future) of the Investment Manager and the AI Technology Company for various purposes. The Investment Manager and/or the AI Technology Company may in turn depend on other third party information technology systems. The Sub-Fund is susceptible to greater operational and information security risks through beaches in cybersecurity. Intentional cybersecurity breaches include: unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data, the inability to access electronic systems (denial of services), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Sub-Fund, the Investment Manager or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, such incidents could cause the Sub-Fund's investments to lose value.

IT Infrastructure Risk. The AI model is developed and maintained using Google Cloud Platform's Cloud Infrastructure. The model is fundamentally dependent on automated and computerised technology which may contain programming errors or which ineffectively incorporates or translates the data collected. Further, unplanned outages would affect the Investment Manager's ability to update the portfolio and could constrain the Sub-Fund's ability to properly manage its portfolio.

Data Quality Risk. The predictions from the AI model are dependent on data from third party data vendors. Notwithstanding the diligence that the Board, or third parties on its behalf, may perform on such third party data

vendors, the Board may not be in a position to verify the risks or reliability of such third party data vendors or the data provided by them. Further, although this data is strenuously reviewed and checked for correctness prior to use, there is a risk that lower quality data will impair the model and adversely affect the Sub-Fund's portfolio.

Operational Risk. The Sub-Fund depends on the Investment Manager and the AI Technology Company to develop and maintain appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of the Investment Manager's and/or the AI Technology Company's operations. Operational risks arising from service outages experienced by internet and cloud computing service providers may cause the Sub-Fund to suffer financial loss, regulatory intervention, disruption to its business or reputational damage.

Trading Systems Risk. The Sub-Fund's trading strategy depends on its ability to establish and maintain an overall market position in a combination of securities and other investments selected by the Investment Manager based on the predictions of the ALIS AI Technology. The Sub-Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges, systems failures or human error attributable to the Investment Manager, the Sub-Fund's counterparties, brokers, dealers, agents or other service providers. In such event, the Sub-Fund might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Sub-Fund might not be able to make such adjustment. As a result, the Sub-Fund would not be able to achieve the market position selected by the Investment Manager based on the predictions of the ALIS AI Technology, which may result in a loss.