

PROSPECTUS

H2O LUX INVEST

Société d'Investissement à Capital Variable – SICAV
with multiple Sub-Funds
Incorporated under Luxembourg law

August 2025

No person is authorised to give any information other than that contained in the Prospectus and in documents referred to herein. The original English text of this Prospectus is the legal and binding version.

IMPORTANT INFORMATION

The Directors of the Fund, whose names appear on page 6 hereafter, are the persons responsible for the information contained in this prospectus of the Fund (the "Prospectus"). 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 prospectus is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

The shares of the Fund (the "Shares") 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 Fund or the Board of 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 Fund since the date hereof.

The Shares may be listed on the Luxembourg Stock Exchange. The Board of Directors of the Fund may decide to make an application to list the Shares on any other recognised stock exchange.

Subscriptions can only be received on the basis of this Prospectus and the relevant key investor information document. The latest available annual report and the latest semi-annual report, if published thereafter shall be deemed to form part of the Prospectus.

The Fund is an open-ended investment company organised as a *Société d'Investissement à Capital Variable* (SICAV). The Fund is registered under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the "Law"). The above registrations do not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

United States:

The Shares have not been registered under the United States Securities Act of 1933 (the "1933 Act"), and the Fund has not been registered under the United States Investment Company Act of

1940 (the "1940 Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to US Persons (as defined hereafter) except to certain qualified U.S. institutions in reliance on certain exemptions from the registration requirements of the 1933 Act and the 1940 Act and with the consent of the Fund. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The Fund's Articles restrict the sale and transfer of Shares to US Persons and the Fund may compulsorily redeem Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to ensure compliance with the 1933 Act and the 1940 Act.

Data protection:

In accordance with the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection 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 accompanied with any implementing legislation applicable to them (together, the "Data Protection Law"), personal data of investors (including prospective investors) and of other individuals (including, but not limited to, directors, managers, agents and other representatives or employees of the investors) whose personal information ("Data Subject"), collected and provided to the Fund and the Management Company in the context of the investor's investments in the Fund may be stored on computer systems by electronic means or other means and processed by the Fund as data controller, and may be processed in certain circumstances by the Management Company and third party service providers acting as their delegates such as the central administration, as a data processor of the Fund.

In certain circumstances, the Management Company and the delegates of the Fund acting as data processor may however also act as data controller if and when processing personal data for the purposes of complying with their own legal and regulatory obligations (in particular in the context of their own AML and KYC related processes).

The Fund is committed to protecting the personal data of the Data Subjects, and have taken all necessary steps, to ensure compliance with the Data Protection Law in respect of personal data processed by it in connection with investments made into the Fund.

This includes (non-exclusively) actions required in relation to: information about processing of the investors' personal data and, as the case may be, consent mechanisms; procedures for responding to requests to exercise individual rights; contractual arrangements with suppliers and other third parties; security measures; arrangements for overseas data transfers and record keeping and reporting policies and procedures.

Personal data shall have the meaning given in the Data Protection Law and includes (non-exclusively) any information relating to an identified or identifiable individual, such as the investor's name, address, invested amount, the investor's individual representatives' names as well

as the name of the ultimate beneficial owner, where applicable, and such investor's bank account details.

Personal data will be processed for the purpose of performing the Fund's, the Management Company's or the delegates' contractual obligations such as administration and management of the shares, processing of subscriptions, redemptions and conversions, and will also be processed in compliance with the legal obligations under Luxembourg law (such as the Law and the law of 10 August 1915 on commercial companies, as amended, prevention of terrorism financing and anti-money laundering legislation, prevention and detection of crime, tax law) and all other laws and regulations as may be issued by the European competent authorities, where necessary for the purposes of the Fund's, the Management Company's or their delegates' legitimate interests.

Personal data provided directly by Data Subjects in the course of their relationship with the Fund, in particular their correspondence and conversation with the Fund, the Management Company or their delegates may be recorded, and processed in compliance with the Data Protection Law.

The Fund, the Management Company or their delegates may share the personal data to their affiliates and to other entities which may be located outside the EEA. In such case they will ensure that the personal data are protected by appropriate safeguards.

The personal data may also be shared, in exceptional circumstances, with any courts and/or legal, regulatory, tax, government authorities in various jurisdictions as required by applicable law or regulation.

In compliance with the Data Protection Law, the Data Subjects have certain rights including the right to access their personal data, the right to have incomplete or inaccurate personal data corrected, the right to object to and to restrict the use of the personal data, the right to ask for the deletion of their personal data, the right to receive their personal data in a structured, commonly used and machine-readable formatted and to transmit those data to another controller.

The Data Subjects have the right to submit queries or lodge a complaint about the processing of their personal data with the relevant data protection authority.

The personal data are not kept for longer than is necessary for the purposes for which they are processed.

When subscribing to the Shares, each investor will be informed of the processing of his/her personal data (or, when the investor is a legal person, of the processing of such investor's individual representatives and/or ultimate beneficial owners' personal data) via a data protection notice which will be made available i) in the application form issued by the Fund to the investors and ii) at the registered office of the Fund upon request. This data protection notice will inform the investors

about the processing activities undertaken by the Fund, the Management Company and their delegates in more details.

Generally:

The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make an application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

This Prospectus has been drafted in English. It may be translated into any other language the Board of Directors may deem useful and such translations must only contain the information contained in this English version. In case of divergences between the English and the translated version, the English version shall prevail.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise its/her/his investor rights directly against the Fund if the investor is registered himself and in its/her/his own name in the shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in its/her/his own name but on behalf of the investor, (i) it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund and (ii) investors' rights to indemnification in the event of errors/non-compliance within the meaning of CSSF Circular 24/856 may be impacted. Investors are advised to take advice on their rights.

DIRECTORY

H2O LUX INVEST

Registered Office

5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg

Board of Directors

- Mr François Carlotti, partner, Quadra Capital Partners LLP, 9 -10 Savile Row, London W1S 3PF, United Kingdom.
- Mr Loic Guilloux, Chairman at H2O AM Europe, 39 Avenue Pierre 1^{er} de Serbie, 75 008 Paris, France.
- Mr Franck A. Willaime, Certified Independent Director, 11 boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg.
- Mr Pascal Delaunay, CEO of ID Risk Capital, 28 Ter avenue de Brimont, 78 400 Chatou, France.

Management Company

Luxcellence Management Company S.A.,
2, Rue Jean L'Aveugle, L-1148 Luxembourg, Grand Duchy of Luxembourg

Depositary, Paying Agent and Domiciliary Agent

CACEIS Bank, Luxembourg Branch, 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg

Administrative Agent and Registrar and Transfer Agent

CACEIS Bank, Luxembourg Branch, 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg

Global Distributor

H2O AM Europe, 39 Avenue Pierre 1er de Serbie, 75 008 Paris, France

Investment Manager

H2O AM Europe, 39 Avenue Pierre 1er de Serbie, 75 008 Paris, France

Approved Statutory Auditor

PricewaterhouseCoopers, 2 rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg

Legal Advisers in Luxembourg

Elvinger Hoss Prussen, *société anonyme*, 2, place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

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DEFINITIONS

"Administrator"	CACEIS Bank, Luxembourg Branch, acting as administrative agent of the Fund;
"Appendix"	An appendix to this Prospectus containing information with respect to a particular Sub-Fund;
"Articles"	The Articles of Incorporation of the Fund as amended from time to time;
"Business Day"	A full day (not being a Saturday or Sunday or a public holiday) on which banks are generally open for non-automated business in Luxembourg, except otherwise defined per Sub-Fund in the relevant Appendix;
"Classes"	Pursuant to the Articles, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different sale or redemption charge structure, fee structure, minimum subscription amount, currency or dividend policy may be applied. If different Classes are issued within a Sub-Fund, the details of each Class will be described in the relevant Sub-Fund's Appendix;
"CSSF"	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg authority for the supervision of the financial sector;
"Cut-off time"	A particular point in time specified in the Prospectus. Requests for subscription, conversion or redemption of Shares received no later than the specified Cut-off time will be dealt with at the appropriate Net Asset Value per Share calculated on the relevant Valuation Day. Requests received after the Cut-off time shall be processed on the next following Valuation Day;
"Depositary"	CACEIS Bank, Luxembourg Branch, acting as depositary of the Fund;
"Directive 2009/65/EC"	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for

collective investment in transferable securities (UCITS), as amended from time to time including by the Directive 2014/91/EU;

"Directors" or "Board of Directors"	The members of the board of directors of the Fund for the time being and any successors to such members as they may be appointed from time to time;
"Distributor"	Any entity appointed by the Management Company and the Fund for the placement of the Fund's Shares;
"Domiciliary Agent"	CACEIS Bank, Luxembourg Branch, acting as domiciliary agent;
"EU"	European Union;
"Eligible State"	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania;
"Fund"	H2O LUX INVEST;
"Ineligible Applicant"	An ineligible applicant as described under "Subscriptions";
"Initial Offering Period"	The period determined by the Board of Directors during which Shares are offered for subscription at a fixed price as determined by the Board of Directors in their sole discretion;
"Institutional Investor"	An investor qualifying as an institutional investor within the meaning of the Law;
"Investment Manager"	H2O AM Europe;
"Key Information Documents" or "KIDs"	The key information document(s) as defined by Regulation 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products, as may be amended from time to time;
"Management Company"	Luxcellence Management Company S.A.;
"Member State"	A Member State as defined in the Law;

"MiFID II"	Directive 2014/65/EU of 15 May 2014 on markets in financial instruments;
"Minimum Holding Amount"	The minimum value of a holding of a Shareholder in a Sub-Fund/Class as defined per Sub-Fund/Class in the relevant Appendix, if any;
"Minimum Subscription Amount"	The minimum value of the first subscription of an investor in a Sub-Fund/Class as defined per Sub-Fund/Class in the relevant Appendix;
"Minimum Subsequent Subscription Amount"	The minimum value of subsequent subscription of a Shareholder in a Sub-Fund/Class as defined per Sub-Fund/Class in the relevant Appendix, if any;
"Money market instruments"	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;
"Net Asset Value"	The net asset value of the Fund, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles;
"Net Asset Value per Share"	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class;
"OECD"	Organisation for Economic Cooperation and Development;
"Paying Agent"	CACEIS Bank, Luxembourg Branch, acting as paying agent;
"Redemption Charge"	A charge not exceeding the percentage of the Redemption Price disclosed in the relevant Appendix that may be applied to redemptions of Shares;
"Redemption Price"	The price based on the Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Reference Currency"	The reference currency of the Sub-Fund;
"Registrar and Transfer Agent"	CACEIS Bank, Luxembourg Branch, acting as registrar and transfer agent;

"Regulated Market"	A market within the meaning of Article 4.1.14 of directive 2004/39/EC or any directive updating or replacing 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;
"SFT Regulation"	Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse;
"SFT Transactions"	Total return swaps, securities lending transactions, repurchase agreements and/or reverse repurchase agreements;
"Share"	A share of no par value of any Class of any Sub-Fund in the Fund;
"Shareholder"	A person recorded as a holder of Shares in the Fund's register of shareholders;
"Sub-Fund"	A separate portfolio of assets for which a specific investment policy (subject to the general restrictions which are applicable to the Fund and any Sub-Fund) applies;
"Subscription Charge"	A sales commission for the benefit of the Distributors and/or financial intermediaries not exceeding the percentage of a fixed price during the Initial Offering Period as detailed for each Sub-Fund/Class in the relevant Appendix or the Subscription Price disclosed in the relevant Appendix;
"Subscription Price"	The price based on the Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Transferable securities"	<p>Shall mean:</p> <ul style="list-style-type: none"> - shares in companies and other securities equivalent to shares in companies ("shares"), - bonds and other forms of securitised debt ("debt securities"), - any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange. <p>For the purposes of this definition, the techniques and instruments referred to in Article 42 of the Law do not constitute transferable securities;</p>

"UCI"	An Undertaking for Collective Investment;
"UCITS"	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to Directive 2009/65/EEC, as may be amended;
"UCITS Rules"	The set of rules formed by the Directive 2009/65/EC and any derived or connected EU or national act, statute, regulation, circular or binding guidelines;
"Other UCI"	An Undertaking for Collective Investment within the meaning of the first and second indents of Article 1 (2) of Directive 2009/65/EEC, as may be amended;
"United States" or "US"	The United States of America and any of its territories, possessions and other areas subject to its jurisdiction;
"US Person"	The term "US Person" shall have the same meaning as in (i) Regulation S of the 1933 Act, as amended; (ii) as defined in CFTC rule 4.7 and/or (iii) as defined in any other applicable law, regulation or rule (including but not limited to FATCA). The Board of Directors may further define the term "US Person";
"Valuation Day"	Any day as defined per Sub-Fund in the relevant Appendix.

All references to a Class shall, where no Classes have been created within a Sub-Fund, be deemed to be references to the Sub-Fund.

In this Prospectus all references to "USD" and "US\$" are to the United States Dollars, "GBP" and "£" are to Great Britain Pounds Sterling, "CHF" are to the Swiss Franc and all references to "Euro" and "€" are to the Single European Currency.

All references herein to time are to Central European Time (CET) unless otherwise indicated.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Investment Objectives and Policies

The purpose of the Fund is to offer investors access to a world-wide selection of markets and a variety of investment techniques via a range of specialised products included under a same and single structural umbrella with multiple Sub-Funds.

The investment policy implemented in the various Sub-Funds shall be determined by the Board of Directors. A broad spread of risks will be achieved by diversifying investments over a number of securities. The selection of securities will not be limited - except under the terms of the restrictions specified in the section "Investment Restrictions" below - as regards geographical area or economic consideration, nor as regards the type of investment of securities.

The Board of Directors is entitled to create new Sub-Funds. A list of those Sub-Funds in existence at present, together with a description of their investment policy and main features is attached as Appendices to this Prospectus.

These Appendices forms an integral part of this Prospectus and will be updated whenever new Sub-Funds are created.

Investment Restrictions

The Board of Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Fund in respect of each Sub-Fund subject to the following restrictions:

- I. (1) The Fund, for each Sub-Fund, may invest in:
 - a) transferable securities and money market instruments admitted to an official listing on a stock exchange in an Eligible State; and/or
 - b) transferable securities and money market instruments dealt in on another Regulated Market; and/or
 - c) 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 an official stock exchange or another Regulated Market and such admission is secured within one year of the issue;

- d) units of UCITS and/or other UCI, whether situated in a Member State or not, provided that:
- such other UCIs have been authorised under the laws of any Member State or under the laws of those countries providing that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community 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 Directive 2009/65/EC,
 - 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;
- e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or if the registered office of the credit institution is situated in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- f) 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 (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority; and

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

and/or

g) 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 a Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on Regulated Markets, or
- 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 Community 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 above and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Fund 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 I. (1) above.

- II. The Sub-Funds may hold up to 20% of their net assets in ancillary liquid assets (i.e. bank deposit at sight, such as cash held in currency accounts) for ancillary liquid purposes in normal market conditions. Under exceptional market conditions and on a temporary basis, this limit may be increased up to 100% of their net assets.
- III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body.
- (ii) The Fund may not invest more than 20% of the net assets of any 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. e) above or 5% of its net assets in other cases.
- b) Moreover, where the Fund holds on behalf of a Sub-Fund investments in transferable securities and money market instruments of issuing bodies 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 Fund may not combine for each Sub-Fund:

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body

in excess of 20% of its net assets.

- c) The limit of 10% laid down in sub-paragraph III. a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States belong.

- d) The limit of 10% laid down in sub-paragraph III. a) (i) is increased to 25% for covered bond as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (hereafter "Directive (EU) 2019/2162"), and for certain bonds when they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 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 assets of the Sub-Fund.

- e) The transferable securities and money market instruments referred to in paragraphs III. c) and d) shall not be included in the calculation of the limit of 40% in paragraph III. b).

The limits set out in sub-paragraphs III. a), b), c) and d) shall not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same body, in deposits or in derivative instruments effected with the same body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Fund 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 Fund 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, by Singapore, Brazil, Russia, India or South Africa or by public international bodies of which one or more Member States of the EU are members, 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 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 bond index which 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. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- b) The 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 the same 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 debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. a) and b) shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State 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.

In addition, the provisions of this paragraph V. are also waived as regards to shares held by the Fund 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 Fund 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 paragraph III., V. and VI. a), b), c) and d).

- VI. a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) d), provided that no more than 20% of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI. For the purpose of the application of this investment limit, each Sub-Fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.

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

- b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under paragraph III. above.
- c) When the Fund invests in the units of UCITS and/or other UCIs that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial or indirect holding, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs by the Management Company or the other company.

If the Fund acquires units of other UCITS or other UCIs linked to the Management Company as described in the preceding paragraph, the total annual management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 5% of the relevant net assets under management. The Fund 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) The Fund may acquire no more than 25% of the units of the same UCITS 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 or other UCI concerned, all compartments combined.

- VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net assets of the relevant Sub-Fund. The global exposure will be calculated in accordance with applicable rules and regulations according to the method disclosed in the relevant Appendix.

The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following two subparagraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph 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 paragraph VII.

- VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings (i) to be effected only on a temporary basis or (ii) to enable the acquisition of immovable property essential for the direct pursuit of its business.

Where the Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its net assets in total.

However, the Fund may acquire foreign currencies by means of back-to-back loans.

- b) The Fund may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) d), f) and g) which are not fully paid.

- c) The Fund may not carry out uncovered sales ("short sales") of transferable securities, money market instruments or other financial instruments.
- d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business, provided that the limits indicated in item a) above are complied with.
- e) The Fund may not acquire either precious metals or certificates representing them.
- f) The Fund may not invest directly in any "securitisation" or "securitisation position" within the meaning of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for

securitisation and creating a specific framework for simple, transparent and standardised securitization.

- IX. a) The Fund need not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund 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 interest of its shareholders.
- X. Under the conditions and within the limits laid down by the Law, the Fund may, to the widest extent permitted by Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS or Master UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with paragraph II. above;
- financial derivative instruments, which may be used only for hedging purposes.

For the purposes of compliance with paragraph VII above, the Feeder UCITS shall calculate its global exposure relating to financial derivative instruments by combining its own direct exposure under the second indent of the preceding paragraph with either:

- the Master UCITS' actual exposure to financial derivative instruments in proportion to the Feeder UCITS' 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 UCITS' investment into the Master UCITS.

- XI. A Sub-Fund (the "Investing Fund") may subscribe, acquire and/or hold securities to be issued by one or more Sub-Funds (each, a "Target Fund") without the Fund being

subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

- a) the Target Fund does not, in turn, invest in the Investing Fund invested in this Target Fund; and
- b) no more than 10% of the assets that the Target Fund whose acquisition is contemplated may, according to its investment policy, be invested in units of other UCITS or other UCIs; and
- c) the Investing Fund may not invest more than 20% of its net assets in units of a single Target Fund; and
- d) voting rights, if any, attaching to the Shares of the Target Fund are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- e) for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
- f) to the extent required by the applicable laws and regulations there is no duplication of management/subscription or redemption fees between those at the level of the Investing Fund having invested in the Target Fund, and this Target Fund.

RISK MANAGEMENT PROCESS

The Management Company, on behalf of the Fund 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 in accordance with CSSF Circular 11/512 and/or any other applicable circular of the CSSF. The Management Company, on behalf of the Fund, will employ, if applicable, a process for ensuring appropriate, transparent, fair, accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise explicitly stated in the relevant Appendix for a Sub-Fund, all Sub-Funds will apply the commitment approach for measuring risk.

FINANCIAL DERIVATIVE INSTRUMENTS

Each Sub-Fund may, subject to the conditions and within the limits laid down in the Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF positions (the "Regulations") and this Prospectus, invest in financial derivative instruments for efficient portfolio management purposes, investment purposes or to provide protection against risks.

Financial derivative instruments include, but are not limited to, futures, forwards, options, swaps (including, but not limited to, credit and credit-default, interest rate and inflation swaps), swaptions and forward foreign currency contracts. New financial derivative instruments may be developed which may be suitable for use by the Fund and the Fund may employ such financial derivative instruments in accordance with the Regulations and collateral received will be according to its collateral policy.

Under no circumstances shall these operations cause the Fund and its Sub-Funds to diverge from its investment policies and restrictions.

The Fund will ensure that the global exposure relating to the use of financial derivatives shall not exceed the total net asset value of a Sub-Fund. The global exposure relating to derivative instruments held in a Sub-Fund will be determined using an approach based on the internal model, taking into consideration all the sources of global exposure (general and specific market risks), which might lead to a significant change in the portfolio's value.

Total return swaps

Sub-Funds may use total return swap instruments in order to generate capital or additional income or to reduce costs or risks. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Fund or the Investment Manager. At no time will a counterparty in a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying of the total return swap.

The following types of assets can be subject to total return swaps: equity and equity-related instruments, forwards and options, OTC derivatives, fixed income instruments, units of UCIs.

The risk of counterparty default and the effect on investors returns are described under section "Risk Factors".

Management of Collateral and Collateral Policy

General

In the context of OTC financial derivative transactions and efficient portfolio management techniques, the Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

Eligible Collateral

Collateral received by the Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF Circulars issued 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:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Sub-Fund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received; deviating from the aforementioned diversification requirement, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an issuer as described under section "Investment Objectives, policies and restrictions", sub-section III, item (f). Such 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. A Sub-Fund may accept as collateral for more than 20% of its Net Asset Value securities which are issued or guaranteed by an issuer as aforementioned;
- (v) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process;

- (vi) Where there is a title transfer, the collateral received should be held by the Depositary. 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;
- (vii) It should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Reinvestment of Collateral

Non-cash collateral received by the Fund may not be sold, re-invested or pledged.

Cash collateral received by the Fund can only be:

- (i) Placed on deposit with credit institutions which have their registered office in Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- (ii) Invested in high-quality government bonds; and/or
- (iii) Invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Sub-Fund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund on behalf of such Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund. The risk factors described under section "Risk Factors" of this Prospectus also apply in case of reinvestment of cash collateral.

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

- (i) Cash and cash equivalents, including short-term bank certificates and money market instruments;
- (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

- (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or equivalent;
- (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned under item (v) and (vi) below;
- (v) Bonds issued or guaranteed by issuers offering adequate liquidity that are either i) comprised in a main index or ii) are rated at least BBB- by at least one rating agency;
- (vi) 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.

Level of Collateral

The 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. At least the following level of collateral will be required by the Fund for the different types of transactions:

Type of Transaction	Minimum Level of collateral (in relation to volume of transaction concerned)
OTC financial derivative transactions	100%

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 Fund for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Management Company under normal and exceptional liquidity conditions.

According to the Fund's haircut policy currently the following discounts will be made:

Type of Collateral	Remaining maturity	Discount
Cash (cash in a currency other than the Fund's reference currency)		0% (10%)

Investment grade sovereign debt issued by France, Germany, Netherlands, united Kingdom and the United states of America (US Treasury Department issues only)	With a remaining maturity of less than 1 year	15%
	With a remaining maturity from 1 year up to and including 5 years	20%
	With a remaining maturity from 5 years up to and including 10 years	25%
	With a remaining maturity from 10 years up to and including 30 years	30%

The Fund reserves the right, at its sole discretion to amend the discounts applied. The actual discounts applied may be obtained free of charge from the Fund.

The value of non-cash collateral received is at least equal to 90% of the counterparty risk value.

RISK FACTORS

The nature of the Fund's investments involves certain risks and the Fund may utilise investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares:

Suspension of Share Dealings

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see section "Temporary Suspension of the Net Asset Value Calculations and of Issues, Redemption and Conversion of Shares").

Business Risk

There can be no assurance that the Fund or any Sub-Fund will achieve its investment objective. There is no operating history by which to evaluate their likely future performance. The investment results of the Fund or any Sub-Fund are reliant upon the success of the Investment Manager and the performance of the markets the Sub-Funds invest in.

Concentration of Investments

Although it will be the policy of the Fund to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Debt Securities

The Fund may invest in fixed income securities which may be unrated by a recognised credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Liquidity and Market Characteristics

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Counterparty Risk

The Fund will be subject to the risk of the inability of any counterparty (including the clearing broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover its/her/his initial investment when he chooses to redeem its/her/his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

Currency Exposure

The Shares may be denominated in different currencies and Shares will be issued and redeemed in those currencies. Certain of the assets of the Fund may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Fund will be subject to

foreign exchange risks. The Fund may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the EUR and such other currencies.

Profit Sharing

In addition to receiving management fees, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a performance fee may be paid on unrealised gains which may subsequently never be realised.

Potential Conflicts of Interest

The Investment Manager may conduct transactions in which the Investment Manager has, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to the Fund. The Investment Manager shall not be liable to account to the Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager's fees, unless otherwise provided, be abated.

Regulatory Risk

The Fund is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Sub-Funds may be registered in non-EU jurisdictions. As a result of such registrations these Sub-Funds may be subject to more restrictive regulatory regimes. In such cases these Sub-Funds will abide by these more restrictive requirements. This may prevent these Sub-Funds from making the fullest possible use of the investment limits.

Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Sub-Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. A Sub-Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Investment Manager will consider whether the

security continues to be an appropriate investment for the Sub-Fund. Some of the Sub-Funds will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Futures, Options and Forward Transactions Risk

The Sub-Funds may use options, futures and forward contracts on currencies securities, indices, volatility, inflation and interest rates for hedging and investment purposes.

Transactions in futures may 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 Sub-Fund. 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 may 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 Sub-Fund is fixed, the Sub-Fund may sustain a loss well in excess of that amount. The Sub-Fund will also be exposed to the risk of the purchaser exercising the option and the Sub-Fund 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 Sub-Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions, in particular those traded over-the-counter, have an increased counterparty risk. If a counterparty defaults, the Sub-Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

Market and Settlement Risks

The securities markets in some countries lack the liquidity, efficiency and regulatory controls of more developed markets. Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to

assess reliably the market value of assets. The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected. Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds. Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

Limitations may exist with respect to the Sub-Funds ability to repatriate investment income, capital or the proceeds from the sale of securities by foreign investors. The Sub-Fund can be adversely affected by delays in, or refusal to grant, any required governmental approval for such repatriation.

Credit Default Swap Risk

A credit default swap allows the transfer of default risk. This allows a Sub-Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Sub-Fund does not hold the underlying reference obligation, there may be a market risk as the Sub-Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Sub-Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Fund will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Investing in Emerging Markets and Frontier Markets

In emerging markets and frontier markets, in which some of the Sub-Funds will invest, the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. Frontier markets are differentiated from emerging markets in that frontier markets are considered to be somewhat less economically developed than emerging markets. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable.

The following statements are intended to summarise some of the risks in emerging markets and frontier markets countries, but are not exhaustive.

Political and Economic Risks

Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal/fiscal/regulatory/market reforms. Assets could be compulsorily acquired without adequate compensation.

A country's external debt position could lead to the sudden imposition of taxes or exchange controls.

High inflation can mean that businesses have difficulty obtaining working capital.

Local management are often inexperienced in operating companies in free market conditions.

A country may be heavily dependent on its commodity and actual resource exports and therefore be vulnerable to weaknesses in world prices for these products.

Legal Environment

The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.

Legislation could be imposed retrospectively or may be issued in the form of internal regulations which the public may not be made aware of.

Judicial independence and political neutrality cannot be guaranteed.

State bodies and judges may not adhere to the requirements of the law and the relevant contract.

There is no certainty that investors will be compensated in full or in part for any damage incurred or loss suffered as a result of legislation imposed or decisions of state bodies or judges.

Accounting Practices

The accounting and audit systems may not accord with international standards.

Even when reports have been brought into line with international standards, they may not always contain correct information.

Obligations of companies to publish financial information may also be limited.

Shareholder Risk

Existing legislation may not yet be adequately developed to protect the rights of minority shareholders. There is generally no concept of fiduciary duty to shareholders on the part of management. There may be limited recourse for violation of such shareholders' rights as pertain.

Price Movement and Performance

Factors affecting the value of securities in some markets cannot easily be determined.

Investment in securities in some markets carries a high degree of risk and the value of such investments may decline or be reduced to zero.

Currency Risk

Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.

The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.

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

Execution and Counterparty Risk

In some markets there may be no secure method of delivery against payment which would avoid exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

Taxation

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which a Sub-Fund invests or may invest in the future is not clearly established. Tax law and practice may equally be subject to change in developed countries, where governments implement fiscal reforms. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Fund could become subject to additional taxation in such countries that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

Investing in Russia and CIS

Investments in Russia and the Commonwealth of Independent States and its participating and/or associated member States ("CIS") through the Russian Trading System (RTS) and Moscow Interbank Currency Exchange (MICEX) or on other eligible are subject to increased risk with regard to ownership and custody of securities.

There are significant risks inherent in investing in Russia and the CIS including: (a) delays in settling transactions and the risk of loss arising out of the systems of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and crime in the Russian and CIS economic systems; (d) difficulties associated in obtaining accurate market valuations of many Russian and CIS securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian and CIS companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings and (h) the risk that the governments of Russia and CIS member states or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union.

The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner.

Evidence of legal title in many cases will be maintained in "book-entry" form and the Fund could lose its registration and ownership of securities through fraud, negligence or even oversight. Securities in Russia and in the CIS are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to the Fund, the Depository or their local agents in Russia or in the CIS. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and in the CIS and registration delays and failures to register securities can occur. Although Russian and CIS sub-custodians will maintain copies of the registrar's records ("Records") on its premises, such Records may not, however, be legally sufficient to establish ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Records or other documents are in circulation in the Russian and CIS markets and there is therefore a risk that a Fund's purchases may be settled with such forged or fraudulent securities. In common with other emerging markets, Russia and the CIS have no central source for the issuance or

publication of corporate actions information. The Depository therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications.

Contingent Convertible Securities Risk

Contingent convertible securities are typically debt instruments which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond will set out specific trigger events and conversion rates. Trigger events may be outside of the issuer's control. A common trigger event is the decrease in the issuer's capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

Coupon payments on certain contingent convertible securities may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Contrary to typical capital hierarchy, contingent convertible securities investors may suffer a loss of capital before equity holders.

Most contingent convertible securities are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible securities may not be called on the pre-defined call date and investors may not receive return of principal on the call date or at any date.

There are no widely accepted standards for valuing contingent convertible securities. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.

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

Natural disasters and pandemic risks

Natural or environmental disasters (such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally) and widespread disease (including pandemics and epidemics) have been and can be highly disruptive to economies and markets. They can adversely impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Sub-Fund's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Sub-Funds from executing advantageous investment decisions in a timely manner and could negatively impact the Sub-Funds' ability to achieve their respective investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of the relevant Sub-Fund.

Sustainability Risks

For the purposes of 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 ("SFDR"), the Sub-Funds are not subject to Article 8 or Article 9 of SFDR.

Sustainability risks are environmental, social or governance events or conditions that, if they occur, could potentially or actually cause a material negative impact on the value of the Sub-Funds' investments.

Specific sustainability risks can vary for each product and asset class, such as for example:

- For the Sub-Funds that may invest in emerging markets, sustainability risks that are considered include notably global instability, fiscal crises, national governance failures, and others.
- For the Sub-Funds that may invest in agriculture and food, considered sustainability risks also include water scarcity and resource depletion.
- For the Sub-Funds that may also invests in Oil & Gas, sustainability risks that are considered include notably contributing to global warming, GHG emissions and risks associated with other carbon emissions.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

As of today, sustainability risks are not systematically integrated into the Investment Manager's investment decision making process due to the nature of the investment objectives and investment policies of the Sub-Funds which do not provide for such integration although they (i) may require to invest in assets which will necessarily carry sustainability risks or (ii) allow to invest in assets which could carry sustainability risks. In both cases, sustainability risks are therefore only considered as a parameter for investment decisions, amongst other parameters. They are not determinant criteria of the investment decision making process in that way they may be taken into account or not by the Investment Manager.

As the Sub-Funds were not designed to specifically avoid investments that include one or more sustainability risks, such as avoiding a particular industry/sector in its entirety, the Investment Manager believes that sustainability risks are unlikely to have a material adverse impact on the financial returns of the Sub-Funds. However, no assurance can be given as to the actual impact of sustainability risks on the returns of the Sub-Funds and in the event of a sustainability risk materialising losses may be incurred.

The Management Company and the Investment Manager do not currently formally track and monitor the adverse impact of the Investment Manager's investment decisions on sustainability factors for the Sub-Funds, as there is a lack of data available on the market to determine and weigh the negative sustainability effects.

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

CONFLICTS OF INTEREST

The Investment Manager and its affiliated companies as well as the Management Company may from time to time act as investment manager or adviser or as management company to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Investment Manager and its affiliates may, in the course of their business, have potential conflicts of interest with the Fund.

The Board of Directors, the Management Company and/or the Investment Manager will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or the Investment Manager or any of their affiliated entities. The directors of the Management Company may also be directors of other investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or other investment funds. In the event that such a conflict arises, the directors of the Management Company and the directors of the Fund will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

The Investment Manager and its principals, directors, officers, partners, members, managers, shareholders, employees and affiliates trade or may trade for their own accounts, and certain of such persons have sponsored or may in the future sponsor or establish other public and private investment funds. The Investment Manager and its affiliates may trade for accounts other than the relevant Sub-Fund's account and will remain free to trade for such other accounts and to utilise trading strategies, formulae and models in trading for such accounts which are the same as or different from the ones that the Investment Manager will utilise in making trading decisions on behalf of the relevant Sub-Fund. In addition, and if and when applicable, in their respective proprietary trading, the Investment Manager or its affiliates may take positions the same as or different than those taken on behalf of the relevant Sub-Fund in accordance with the Investment Manager and its affiliates' internal policies. The records of any such trading will not be available for inspection by investors except to the extent required by law. Because of price volatility, occasional variations in liquidity, and differences in

order execution, it might not be possible for the Investment Manager and its affiliates to obtain identical trade execution for all their respective clients. When block orders are filled at different prices, the Investment Manager and its affiliates will assign the executed trades on a systematic basis among all client accounts.

MANAGEMENT COMPANY

Pursuant to a management company agreement dated 9 May 2014, as amended from time to time, the Fund has appointed Luxcellence Management Company S.A., a *société anonyme* incorporated under the laws of Luxembourg, with registered office at 2, Rue Jean L'Aveugle, L-1148 Luxembourg, Grand Duchy of Luxembourg, as its management company to perform investment management, administration and marketing functions of the Fund.

Luxcellence Management Company S.A. was incorporated as a *société anonyme* in Luxembourg on 31 January 1994 under the social denomination of Luxcellence Advisory Company S.A. Luxcellence Management Company complies with the conditions set out in Chapter 15 of the Law and the provisions of CSSF Circular 18/698 of 23 August 2018 regarding the authorisation and organisation of Luxembourg investment fund managers (the "CSSF Circular 18/698"), and therefore is authorised as a management company managing UCITS governed by the Directive 2009/65/EC.

The Management Company is wholly owned by CACEIS S.A., the holding company of CACEIS group, and is part of the same group as CACEIS Bank, Luxembourg Branch.

As of the date of this Prospectus, the Management Company's board of directors consists of the following members:

Members

Mrs. Carole Etienvre (Chairwoman of the board of directors)
Mr Jean-Luc Jacquemin (Independent Member of the board of directors)
Mr Gregory Cabanetos (Member of the board of directors)
Mr Aurélien Veil (Member of the board of directors)

Conducting Officers

Mr Pascal Pira, Mr Gregory Cabanetos, Mrs. Armelle Conti and Mr Gérald Stadelmann have also been appointed as conducting officers, as referred to in Article 102 of the Law and CSSF Circulars.

The Management Company has, with the consent of the Fund, delegated its investment management functions to the Investment Manager.

The Management Company has, with the consent of the Fund, delegated its administration functions to the Administrator.

In the context of its marketing function, the Management Company may, with the consent of the Fund, enter into agreements with Distributors pursuant to which the Distributors agree to act as intermediaries or nominees for investors subscribing for Shares through their facilities.

The Management Company will monitor on a continuous basis the activities of the third parties to which it has delegated functions. The agreements entered into between the Management Company and the relevant third parties provide that the Management Company can give at any time 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. The Management Company's liability towards the Fund is not affected by the fact that it has delegated certain functions to third parties.

The Management Company is also acting as a management company for other undertakings for collective investment, a list of which is available upon request and free of charge at the registered office of the Management Company.

The Management Company has adopted various procedures and policies in accordance with Luxembourg laws and regulations (including but not limited to CSSF regulation 10-04 and CSSF Circular 18/698).

In accordance with the Directive 2009/65/EC and the UCITS Rules, the Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that does not encourage risk taking which is inconsistent with the risk profile and the Articles.

The Management Company's remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and its investors and includes measures to avoid conflicts of interest.

Fixed and variable components of total remuneration are appropriately balanced and the fixed remuneration component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

If and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The details of the Management Company's remuneration policy are available on the following website https://www.luxcellence.com/files/Remuneration-policy_EN.pdf. A paper copy of the

remuneration policy will be made available free of charge to the investors of the Fund upon request to the Management Company.

INVESTMENT MANAGER

The Management Company has appointed, with the consent of the Fund, H2O AM Europe, as investment manager of the Sub-Funds.

H2O AM Europe is a company authorised and regulated by the *Autorité des Marchés Financiers* under the authorisation number GP-19000011 and has its registered office at 39 Avenue Pierre 1er de Serbie, 75 008 Paris, France. H2O AM Europe is registered with the French Register of Trade and Companies under number 843082538 RCS Paris.

The Investment Manager has been appointed to provide day-to-day management of the assets of the Sub-Funds, subject to the overall supervision and responsibility of the Management Company in accordance with the terms and conditions of the Investment Management Agreement between the Fund, the Management Company and the Investment Manager. This agreement may be terminated by giving three (3) months' prior notice.

The Investment Manager is required to adhere strictly to the guidelines laid down by the Board of Directors and the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each Sub-Fund are invested in a manner consistent with the Fund's and the Sub-Funds' investment policy and restrictions and that cash belonging to the Fund and each Sub-Fund is invested in accordance with the guidelines laid down by the Board of Directors and the Management Company.

Subject to the approval of the Management Company, the Investment Manager may delegate all or part of its functions to sub-investment managers (each a "**Sub-Investment Manager**"), which will be disclosed in the Sub-Fund Appendices. The fee payable to the Sub-Investment Manager will be borne by the Investment Manager as agreed in a sub-investment agreement (the "Sub-Investment Management Agreement") between the Investment Manager and the Sub-Investment Manager.

GLOBAL DISTRIBUTOR

The Management Company has appointed, with the consent of the Fund, H2O AM Europe, as global distributor of the Sub-Funds ("**Global Distributor**").

H2O AM Europe is a company authorised and regulated by the *Autorité des Marchés Financiers* under the authorisation number GP-19000011 and has its registered office at 39 Avenue Pierre 1er de Serbie, 75 008 Paris, France. H2O AM Europe is registered with the French Register of Trade and Companies under number 843082538 RCS Paris.

The Global Distributor has been appointed to act as global distributor of the Fund in the distribution area of the Fund's Shares, i.e. to make arrangements for the subscription, redemption and conversion of the Shares and to negotiate the terms of such activities with third parties, subject to the terms and conditions of the Global Distribution Agreement between the Fund, the Management Company and the Global Distributor. This agreement may be terminated by giving three (3) months' prior notice.

Subject to the provisions of the Global Distribution Agreement, the Global Distributor may delegate all or part of its functions to sub-distributor(s).

DEPOSITARY, PAYING AGENT AND DOMICILIARY AGENT

CACEIS Bank, Luxembourg Branch, established at 5, Allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310 is acting as depositary of the Company (the "**Depositary**") in accordance with a depositary agreement dated 28 October 2016 as amended from time to time (the "Depositary Agreement") and the relevant provisions of the Law and UCITS Rules.

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 89-91 rue Gabriel Péri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris.

CACEIS Bank is an authorised credit institution supervised by the European Central Bank ("ECB") and the *Autorité de contrôle prudentiel et de résolution* ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Investors may consult upon request at the registered office of the Fund, the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Funds' assets, and it shall fulfil the obligations and duties provided for by Part I of the Law. In particular, the Depositary shall ensure an effective and proper monitoring of the Fund' cash flows.

In due compliance with the UCITS Rules, the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of Shares of the Fund are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;

- (ii) ensure that the value of the Shares is calculated in accordance with the UCITS Rules, the Articles and the procedures laid down in the Directive 2009/65/EC;
- (iii) carry out the instructions of the Fund and the Management Company, unless they conflict with the UCITS Rules, or the Articles;
- (iv) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and
- (v) ensure that a Fund's income is applied in accordance with the UCITS Rules and the Articles.

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) of this clause. In compliance with the provisions of the Directive 2009/65/EC, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondent or third party custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law.

A list of these correspondents/third party custodians are available on the website of the Depositary (www.caceis.com, section "veille réglementaire"). Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Fund, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Fund's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

- (a) identifying and analysing potential situations of conflicts of interest;
- (b) recording, managing and monitoring the conflict of interest situations either in:
 - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
 - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Fund, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

In this context, investors should note that investor data (such as name and address) may be transferred by or on the Depositary's behalf to intra-group or other third party service providers, such as paying agents or facilities agents, located in various jurisdictions. The list of countries is accessible on the following website: www.caceis.com. It will be updated prior to any transfer of investor data to intra-group or other third-party service provider located in a new country and investors will be notified via a notice on the abovementioned website.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Fund, notably, administrative agency and registrar agency services.

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Fund may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

The Depositary has no decision-making discretion nor any advice duty relating to the Fund's investments. The Depositary is a service provider to the Fund and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Fund.

CACEIS Bank, Luxembourg Branch also acts as Paying Agent and Domiciliary Agent to the Fund.

ADMINISTRATIVE AGENT AND REGISTRAR AND TRANSFER AGENT

Pursuant to a central administration agreement, dated 9 May 2014 as amended from time to time, the Management Company with the consent of the Fund, has appointed CACEIS Bank, Luxembourg Branch as the Fund's Administrator and Registrar and Transfer Agent.

This agreement is made for an unlimited duration and may be terminated by a party upon three (3) months' prior written notice.

The Administrator and Registrar and Transfer Agent may delegate, under its full responsibility, all or part of its duties as administrative agency and registrar and transfer agency to a third party, with the prior consent of the Fund and subject to regulatory approval (if required).

The Administrator and Registrar and Transfer Agent is responsible for the calculation of the Net Asset Value and accounting function, the client communication function and the registrar function (including the registration and administration of the issue, conversion and redemption of Shares in the Fund and settlement of arrangements thereof), as well as other general administrative functions.

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 89-91 rue Gabriel Péri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. As a consequence, the Administration Agent will continue to provide services to the Fund under the central administration agreement dated 9 May 2014.

CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as the Fund's Administrator and Registrar and Transfer Agent, in particular as registrar and transfer agent activities including shareholders and investor services, with other entities of the group CACEIS, located in Europe or in third countries, and

notably in United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the investor, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the Fund, which will disclose these information to the investors where appropriate. Any material changes to the information contained in this paragraph will be disclosed to the investors prior to their implementation to the extent possible. The list of countries where the group CACEIS is located is available on the Internet site www.caceis.com. The attention of the investors is brought to the fact that this list could change over time.

APPROVED STATUTORY AUDITOR

PricewaterhouseCoopers has been appointed as Approved Statutory Auditor of the Fund.

POOLING

For the purpose of effective management, and subject to the provisions of the Articles and to applicable laws and regulations, the Board of Directors may invest and manage all or any part of the portfolio of assets established for two or more Sub-Funds (for the purposes hereof "Participating Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Board of Directors may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Class concerned. The share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Board of Directors shall, in its discretion, determine the initial value of notional units (which shall be expressed in such currency as the Board of Directors consider appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the notional unit shall be determined by dividing the net asset value of the asset pool by the number of notional units subsisting.

The entitlements of each Participating Fund to an asset pool apply to each and every line of investments of such asset pool.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of units of the Participating Fund concerned will be increased or reduced, as the case may be, by a number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it will be treated

for the purpose of this calculation as reduced by an amount which the Board of Directors considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Fund, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

SUBSCRIPTIONS

Investors may subscribe for Shares in each Sub-Fund during an Initial Offering Period at the fixed price specified in the relevant Appendix which may be increased by a Subscription Charge and thereafter as of each Valuation Day at the relevant Subscription Price which may (where applicable) be increased by a Subscription Charge or other applicable charges.

A Subscription Charge, not exceeding 5,26% of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Subscription Price (corresponding to 5% of the subscription proceeds), may be added for the purpose of compensating distributors and financial intermediaries who assist in placing the Shares. This charge is to be considered a maximum rate and distributors and financial intermediaries may decide at their discretion to waive this charge in whole or in part and shall waive all or part of the charge where to do otherwise would be in breach of applicable law.

Under certain circumstances and unless otherwise provided in the Appendix relating to a Sub-Fund, the Board of Directors has the power to adjust the Net Asset Value per Share applicable to the issue price as described hereafter under the section "Swing Pricing" and dilution levy.

Applicants wishing to subscribe for Shares should complete an application form (an "Application Form") and send it to the Registrar and Transfer Agent, together with any documents required and set out in the Application Form. The Application Form should be completed with the full name and address of each of the persons in whose name the Shares are to be registered and, in the case of a joint application, who is to be the first named Shareholder. Subsequent subscriptions for Shares may additionally be made by facsimile or through an agreed electronic format.

Completed Application Forms must be received by the Registrar and Transfer Agent by no later than such time specified in the relevant Appendix failing which the application will be treated as received on the next following Valuation Day. At the time of placement of the order by the investor, the Net Asset Value per Share of the relevant Sub-Fund or Share Class will be unknown ("Forward Pricing"). At the level of the sales agencies or intermediaries, whether in Luxembourg or abroad,

earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Registrar and Transfer Agent. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries.

Subscription monies must be received, net of any bank charges, on an account of the Fund in the reference currency of the relevant Class no later than in the period of time specified in the relevant Appendix.

Payment can be made in the reference currency, as defined in the relevant Appendix, of the selected Sub-Fund(s). However, an investor may, in certain instances as permitted by the Registrar and Transfer Agent, provide for payment in any other currency which can be freely exchanged for the reference currency of the selected Sub-Fund(s). The foreign exchange transaction that would be necessary for a payment in a currency other than the reference currency of the relevant Sub-Fund, will be arranged on behalf of, at the expense of, and the risk of the investor.

The price per Share will be rounded upwards or downwards as the Board of Directors may resolve. Fractions of Shares may be issued up to at least three (3) decimal places. Rights attached to fractions of Shares are exercisable in proportion to the fraction of a Share held except that fractions of Shares do not confer any voting rights.

The Fund reserves the right to cancel an application if subscription monies are not received on an account of the Fund within the time period specified in the relevant Appendix and in the reference currency of the relevant Class and if any of the documents required under section "Anti-Money Laundering" below is not received on time by the Registrar and Transfer Agent.

The Fund reserves the right to reject any subscription in whole or part at its absolute discretion, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the currency of subscription and at the risk and cost of the applicant.

The Board of Directors reserves the right from time to time, without notice, to resolve to close the Fund or a particular Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine.

The Board of Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions. Any such contribution in kind will be valued in an auditor's report drawn up in accordance with the requirements of Luxembourg law. The investor shall normally bear the costs resulting from the contribution in kind (mainly costs relating to the drawing up of an auditor's report, if any) unless the Board of Directors considers that the contribution in kind is in the interest of the Fund or made to protect the interest of the Fund.

Subscriptions, once given, are irrevocable except in case of a suspension of the calculation of the Net Asset Value of the relevant Sub-Fund.

Institutional Investors

As detailed in the relevant Appendices, the sale of Shares of certain Classes may be restricted to Institutional Investors, as this term may be defined by guidelines or recommendations issued by Luxembourg supervisory authorities and/or within the meaning of the Law and the Fund will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor.

The Fund 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.

Ineligible Applicants

The Fund requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he/she/it is able to acquire and hold Shares without violating applicable laws and that he 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 Fund incurring any liability to taxation (including *inter alia* any liability that may derive from FATCA) or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable securities laws whether US or other.

Subject 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), 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 holds less than the Minimum Holding Amount.

The Fund 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.

Minimum Subscription and Minimum Holding

The Board of Directors may impose a Minimum Subscription Amount and a Minimum Holding Amount for each investor/Shareholder in the different Sub-Funds and/or different Classes within each Sub-Fund as set out in the relevant Appendix. The Board of Directors may also impose a Minimum Subsequent Subscription Amount. It may decide to waive at its discretion any Minimum Subscription Amount, Minimum Holding Amount and Minimum Subsequent Subscription Amount.

The Board of Directors shall not give effect to any transfer of Shares in the register as a consequence of which a Shareholder will not meet the Minimum Holding Amount referred to in the relevant Appendix.

If, as a result of a redemption request, the value of any holding decreases below the Minimum Holding Amount set out in the relevant Appendix, then such request may be treated as a request for redemption of the entire holding.

Form of Shares

All the Shares will be issued in registered form. Shares will be held on a register established by the Fund in the name of the Shareholders. Shareholders will receive a confirmation of their subscription, but no formal share certificate will be issued.

Hedged Classes

Classes not denominated in the Reference Currency and designated as hedged ("H") will systematically and fully (as described below) hedge their currency exposure to the Reference Currency (the "Hedged Classes"), in the forward currency market, whether the exposure is declining or increasing in value relative to the Reference Currency.

Any fees relating to the hedging strategy will be borne by the relevant Hedged Class. Any gains or losses from the currency hedging shall accrue to the relevant Hedged Class. The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of the relevant Class.

Whilst holding hedged shares may substantially protect the investor against losses due to unfavourable movements in the exchange rates of the Reference Currency against the reference currency of a Class, 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 always fully hedge the total Net Asset Value of the Hedged Class against currency fluctuations of the Reference Currency, the aim being to implement a currency hedge equivalent to between 95% and 105% of the Net Asset Value of the respective Hedged Class. 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 Class of the Hedged Classes does therefore not necessarily develop in the same way as that of the Classes in Reference Currency. It is not the intention of the Fund to use the hedging arrangements to generate a further profit for the Hedged Classes.

Investors should note that there is no segregation of liabilities between the individual Classes within a Sub-Fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a Hedged Class 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 such Sub-Fund may be used to cover the liabilities incurred by the Hedged Class.

Confirmation of all the Sub-Funds and Classes available including currency denomination and hedging, as well as an up-to-date list of Classes with a contagion risk can be obtained from the Management Company upon request.

Suspension

The Board of Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be issued in the relevant Sub-Fund during any such period of suspension.

Anti-Money Laundering

In accordance with international regulations and Luxembourg laws and regulations including but not limited to, the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended and the Grand Ducal Regulation dated 1 February 2010, as well as circulars and regulations of the CSSF including without limitation, the CSSF Regulation 12-02 of 14 December 2012 and CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any other respective amendments or replacements, obligations have been imposed on all professionals of the financial sector to prevent UCI from money laundering and financing of terrorism purposes. As result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Registrar and Transfer Agent, as delegate of the Fund, may require any other information that the Fund may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law (as defined below).

In case of delay or failure by an applicant to provide the required documentation, the application for subscription will not be accepted and, in case of redemption, the payment of redemption proceeds will be delayed. Neither the undertaking for collective investment nor the Registrar and Transfer Agent will be held responsible for said delay or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation.

From time to time, Shareholders may be asked to supply additional or updated identification documents in accordance with clients' on-going due diligence requirements under relevant laws and regulations.

The absence of documents required for identification purposes may lead to the delays in the processing of a request for subscription and/or redemption.

Luxembourg Register of Beneficial Owners

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "RBO Law") entered into force on the 1 March 2019. The RBO Law requires all companies registered on the *Registre de Commerce et des Sociétés* of Luxembourg, including the Fund, to obtain and hold information on their beneficial owners ("Beneficial Owners") at their registered office. The Fund must register Beneficial Owner-related information with the Luxembourg Register of Beneficial Owners, which is established under the authority of the Luxembourg Ministry of Justice.

The RBO Law broadly defines a Beneficial Owner, in the case of corporate entities such as the Fund, as any natural person(s) who ultimately owns or controls the Fund through direct or indirect ownership of a sufficient percentage of the Shares or voting rights or ownership interest in the Fund, including through bearer Shareholders, or through control via other means, other than a company listed on a Regulated Market that is subject to disclosure requirements consistent with EU law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25% plus one Share or an ownership interest of more than 25% in the Fund held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one Share or an ownership interest of more than 25% in the Fund held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by an investor with regard to the Fund, this investor is obliged by law to inform the Fund in due course and to provide the required supporting documentation and information which is necessary for the Fund to fulfill its obligation under the RBO Law. Failure by the Fund and the relevant Beneficial Owners to comply with their respective obligations deriving from the RBO Law will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Fund for clarification.

REDEMPTIONS

Shares are redeemable at the option of the Shareholders. Shareholders wishing to have all or part of their Shares redeemed should send a completed redemption request in writing to the Registrar and Transfer Agent. All redemption requests are to be received by the Registrar and Transfer Agent no later than such time as specified in the relevant Appendix, failing which the redemption request will be treated as received on the next following Valuation Day and Shares will be redeemed based on the Redemption Price applicable on that Valuation Day.

The Distributors or any agent thereof are also authorized to transmit redemption requests on behalf of Shareholders to the Registrar and Transfer Agent.

A Redemption Charge may be applied as disclosed in the relevant Appendix.

If redemption or conversion requests for more than 10% of the Net Asset Value of a Sub-Fund are received on any Valuation Day, then the Fund shall have the right to limit redemptions or conversions on that Valuation Day so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Shareholders seeking to redeem or convert Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption or conversion request honoured; the balance of such redemption or conversion requests shall be processed by the Fund on the next day on which redemption or conversion requests are accepted, subject to the same limitation. On such day, such requests for redemption or conversion will be complied with in priority to subsequent requests.

In exceptional circumstances the Board of Directors may request that a Shareholder accepts 'redemption in kind' i.e. receives a portfolio of stock of equivalent value to the appropriate cash redemption payment. In such circumstances the investor must specifically consent to the redemption in kind. The investor may always request a cash redemption payment in the reference currency of the relevant Class. Where the investor agrees to accept redemption in kind it/he/she will, as far as possible, receive a representative selection of the Class' holdings pro-rata to the number of Shares redeemed and the Board of Directors will make sure that the remaining Shareholders do not suffer any loss therefrom. The value of the redemption in kind will, if required by applicable laws and regulations, be certified by a report drawn up by the approved statutory auditor of the Fund in accordance with the requirements of Luxembourg law. The redeeming Shareholder shall normally bear the costs resulting from the redemption in kind (mainly costs relating to the drawing up of an auditor's report, if any) unless the Board of Directors considers that the redemption in kind is in the interest of the Fund or made to protect the interest of the Fund.

A redemption request, once given, is irrevocable except in the event of suspension of redemption pursuant to section "Temporary suspension of Net Asset Value calculations and of issues, redemptions and conversions of Shares" below. Shares redeemed by the Fund are cancelled.

Payment of the Redemption Price, less any applicable charges, will be made no later than the period of time provided in the relevant Appendix for a Sub-Fund. Payment will be made in the reference currency of the relevant Class by transfer to the bank account indicated in the Application Form at the time of subscription or specified in writing by the redeeming Shareholder to the Registrar and Transfer Agent.

Suspension

The Board of Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be redeemed in the relevant Sub-Fund during any such period of suspension.

Compulsory Redemptions

The Board of Directors has the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Board of Directors determines that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions". The Fund 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 Amount.

Shareholders are required to notify the Registrar and Transfer Agent immediately if at any time they become US Persons or hold Shares for the account or benefit of US Persons.

When the Board of Directors becomes 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 Fund or its Shareholders; or (C) has failed to provide any information or declaration required by the Board of Directors or the Registrar and Transfer Agent within 10 days of being requested to do so, the Board of 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 restricted to Institutional Investors is not an Institutional Investor, the Fund will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant Shareholder of such conversion.

Any person who becomes aware that it/she/he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem its/her/his Shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depositary, the Administrator, the Registrar and Transfer Agent, the Investment Manager and the Shareholders of the Fund (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 person to comply with its/her/his obligations pursuant to any of the above provisions.

CONVERSIONS

Subject to any prohibition of conversions contained in an Appendix and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum holding amount, the Board of Directors may decide not to accept the request for conversion of the Shares and the Shareholder will be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Board of Directors so decides) to have requested the conversion of all of its/her/his Shares.

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 his existing Shares in accordance with the following formula:

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

Where:

- A is the number of Shares in the new Sub-Fund or Class to which the Shareholder shall become entitled;
- B is the number of Shares in the original Sub-Fund or Class which the Shareholder has requested to be switched;
- C is the Share price of a share in the original Sub-Fund or Class;
- D is the conversion fee (if any) payable as indicated in the relevant Sub-Fund's specifics in Part B of this Prospectus;

- E when the original Sub-Fund or Class and the new Sub-Fund or Class are not designated in the same currency, it is the applicable market exchange rate between the currencies of the Classes on the day of the transaction execution date, at the Shareholder's risk;
- F is the Share price of a share in the new Sub-Fund or Class.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the Net Asset Value calculated on the next following Valuation Day of each of the two Classes concerned.

SWING PRICING AND DILUTION LEVY

A Sub-Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Fund. This is known as "dilution". In order to counter this and to protect Shareholders' interests, the Board of Directors may apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Board of Directors may make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The Board of Directors may alternatively decide to charge a dilution levy on subscription or redemption, as described below.

Swing Pricing

If on any Valuation Day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease of the Net Asset Value of the Sub-Fund which exceeds a threshold set by the Board of Directors from time to time for that Sub-Fund (relating to the cost of market dealing for that Sub-Fund), a swing factor will be applied (not exceeding 2% of that Net Asset Value) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease.

In extraordinary situations (e.g., high market volatility, disruption of markets, economic slowdown caused by terrorist attack or war, pandemic, or natural disaster), the Board of Directors can raise the swing factor up to 3% of the Net Asset Value to protect the interests of Shareholders.

At the date of this Prospectus, no Sub-Fund make use of swing pricing. If this would change in the future, the Prospectus will be updated accordingly.

Dilution Levy

The value of the property 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 Fund has the power to charge a 'dilution levy' of up to 1% of the applicable NAV 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 Fund will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose and will not be applied if the swing pricing mechanism is used.

LATE TRADING OR MARKET TIMING

Investors are informed that the Board of Directors is entitled to take adequate measures in order to prevent practices known as "Market-Timing" in relation to investments in the Fund. The Board of Directors of the Fund will also ensure that the relevant Cut-off time for requests for subscription, redemption and conversion are strictly complied with and will therefore take adequate measures to prevent practices known as "Late Trading".

The Board of Directors of the Fund is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of Market Timing practices. In addition, the Board of Directors is authorised to take any further measures deemed appropriate to prevent Market Timing to take place.

NET ASSET VALUE

The Net Asset Value as well as the issue, redemption and conversion prices for Shares will be determined and made available by the Administrator in the reference currency of the Class at intervals which may vary for each Sub-Fund and are specified in the relevant Appendix.

The Net Asset Value per Share as of any Valuation Day will be calculated to at least two decimal places in the reference currency of the relevant Class by dividing the Net Asset Value of the Class by the number of Shares in issue in such Class as of that Valuation Day.

The Net Asset Value of each Class will be determined by deducting from the total value of the assets attributable to the relevant Class, all accrued debts and liabilities attributable to that Class.

Assets and liabilities of the Fund will be valued in accordance with the following principles:

- (a) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued at the last closing price applicable to the relevant Valuation Day, in the event that there should be several such markets, on the basis of the last closing price of the main market for the relevant security. Should the last closing price for a given security not truly reflect its fair market value, then that security shall be valued on the basis of the probable sales price which the Board of Directors deems it is prudent to assume;
- (b) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued on the basis of their last closing price applicable to the relevant Valuation Day. Should the last closing price for a given security not truly reflect its fair market value, then that security will be valued by the Board of Directors on the basis of the probable sales price which the Board of Directors deems it is prudent to assume;
- (c) Swaps are valued at their fair value based on the underlying securities (at close of business or intraday) as well as on the characteristics of the underlying commitments;
- (d) Shares or units in underlying open-ended investment funds shall be valued at their last closing price;
- (e) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;
- (f) 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, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Board of Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects such value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of determination of the Net Asset Value.

The Management Company has delegated to the Administrator the determination of the Net Asset Value and the Net Asset Value per Share.

FEES AND EXPENSES

The Investment Manager is entitled to an investment management fee, payable on a monthly basis at a total annual rate which could vary for each Sub-Fund as disclosed in the relevant Appendix. The remuneration that the Global Distributor shall receive is covered by the fees received by the Investment Manager under the Investment Management Agreement.

The Investment Manager may also be entitled to any performance fee to the extent described in the relevant Appendix.

The Depositary, the Paying Agent and the Domiciliary Agent are entitled to fees in line with current practice in Luxembourg, payable on a monthly basis, which shall in aggregate not exceed 0.10% of the average net asset value of the Fund (excluding any taxes). In addition, certain minimum charges may apply.

The Administrator and the Registrar and Transfer Agent are entitled to fees in line with current practice in Luxembourg, payable on a monthly basis, which shall in aggregate not exceed 0.10% of the average net asset value of the Fund (excluding any taxes). In addition, certain minimum charges may apply.

The Management Company is entitled to fees in line with current practice in Luxembourg, payable on a monthly basis, which shall in aggregate not exceed 0.20% of the average net asset value of the Fund (excluding any taxes). In addition, certain minimum charges may apply.

Other costs charged to the Fund include:

- 1) All taxes and duties which might be due on the Fund's assets or income earned by the Fund, in particular the subscription tax charged on the Fund's net assets.
- 2) Brokerage fees and charges on transactions involving securities in portfolio.
- 3) Remuneration of the Depositary's correspondents.
- 4) Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.
- 5) The cost of preparing, printing and filing of administrative documents, prospectuses, key investor information documents and explanatory memoranda with all authorities, the rights

payable for the registration and maintenance of the Fund with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents required by law or regulations, the cost of accounting and calculating the net asset value, the cost of preparing, distributing and publishing notifications to Shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.

The costs of establishing the Fund are estimated at EUR 120,000. The establishment costs may, at the discretion of the Board of Directors, be amortised on a straight line basis over 5 years from the date on which the Fund/Sub-Funds commenced business. The Board of Directors may, in their absolute discretion, shorten the period over which such costs are amortised.

The fees associated with the creation of a new Sub-Fund will be, in principle, exclusively borne by this new Sub-Fund. Nevertheless, the Board of Directors of the Fund may decide, in circumstances where it would appear to be fairer to the Sub-Funds concerned, that the initial setting up costs of the Fund, not yet amortised at the time the new Sub-Fund is launched, will be equally borne by all existing Sub-Funds including the new Sub-Fund. The Board of Directors may also decide that the costs associated with the opening of new Sub-Funds be borne by the existing Sub-Funds.

Each of the Directors of the Board of Directors will be entitled to remuneration for its/her/his services at the rate determined by the general meeting of Shareholders from time to time. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses for attending and returning from board meetings or general meetings of Shareholders as well as for visiting the Investment Manager.

All recurring expenditure is paid when incurred or invoiced from the net assets of the Sub-Fund. Other expenditure may be amortised over a period not exceeding five (5) years.

REPORTS AND FINANCIAL STATEMENTS

The financial year of the Fund ends on 31 May in each year, and for the first time on 31 May 2015.

The audited annual reports and the unaudited semi-annual reports will comprise consolidated financial statements of the Fund expressed in EUR, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund. Audited annual reports will be published and made available to Shareholders within 4 months of the end of each financial year and unaudited semi-annual reports will be published and made available to Shareholders within 2 months of the end of the period they cover.

Copies of the annual and semi-annual reports and financial statements may be obtained free of charge from the registered office of the Fund.

DIVIDEND POLICY

Unless specified otherwise in the relevant Appendix, Shares are normally created as accumulating shares (i.e. their earnings are reinvested). These are distinguished by the suffix ("Acc").

Within each Sub-Fund, there may be created Shares which are entitled to regular distributions. These are distinguished by the suffix ("Dist").

If a distribution is declared by the Fund, it will be paid to each Shareholder concerned in the currency of the relevant Sub-Fund or Class, to the account specified on the Application Form at the time of subscription. In the case of joint Shareholders, payment will be made to the first named Shareholder. Shareholders may however specify in the Application Form that distributions will be reinvested by means of a subscription for further Distributing Shares of the Sub-Fund and Class to which such distributions relate.

Distributions are restricted by law in that they may not reduce the net assets of the Fund below the required minimum determined by Luxembourg Law.

In the event that a distribution is declared and remains unclaimed after a period of five (5) years from the date of declaration, such distribution will be forfeited and will revert to the Sub-Fund or Class in relation to which it was declared.

However, no distributions will be made if their amount is below the amount of fifty EUR (50 EUR) or its equivalent in another currency or such other amount to be decided by the Directors. Such amount will automatically be reinvested.

Distributions may consist of income, capital gains and capital.

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.

A. Taxation of the Fund

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

The Fund 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 Fund.

The Fund 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 any Sub-Fund that is authorised as money market fund in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, hereinafter "Regulation (EU) 2017/1131", without prejudice to Article 175, letter b) of the Law. A reduced subscription tax of 0.01% per annum is applicable to a Sub-Fund or Share Classes that are reserved to one or more institutional investors (within the meaning of Article 174 of the Law).

Subscription tax exemption applies to:

- (a) The portion of the Fund's assets (prorata) invested in a Luxembourg UCI to the extent it is subject to the subscription tax;
- (b) The Fund and its Sub-Funds (i) where the Shares are only held by institutional investor(s), and (ii) are authorised as short-term money market fund in accordance with Regulation (EU) 2017/1131, and (iii) that have obtained the highest possible rating from a recognised rating agency. Where several Classes of Shares exist within the Fund and its Sub-Funds, the exemption only applies to Classes of Shares reserved for institutional investors;
- (c) The Fund and its Funds if the Shares issued are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set-up on initiative of one or more employers for the benefit of their employees, (ii) companies of one or more employers investing funds they hold to provide retirement benefits to their employees and (iii) savers in the context of a pan-European personal pension product established under Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European personal pension product (PEPP). If there are several Classes of Shares issued by the Fund or its Sub-Funds, the exemption applies only to those Classes of Shares reserved for the investors referred to in points (i), (ii) and (iii) of this point;
- (d) The Fund and its Sub-Funds if their main objective is the investment in microfinance institutions;

- (e) The Fund and its Sub-Funds if (i) the Shares are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and (ii) their exclusive object is to replicate the performance of one or more indices. If several Classes of Shares are issued in the Fund and its Sub-Funds, the exemption only applies to Classes of Shares fulfilling the condition of (i) above; and
- (f) The Fund and its Sub-Funds if they are authorised as European long-term investment funds within the meaning of Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long term investment funds.

Withholding tax

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund 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 Fund as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

B. Taxation of the Shareholders

Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individuals 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 before or within six (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 (5) years preceding the date of the disposal, more than 10% of the share capital or assets of the company.

Distributions received from the Fund 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 on capital gains realised upon disposal of the 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 Law, (ii) specialised investment funds subject to the Law of 13 February 2007 on specialised investment funds (the "2007 Law"), (iii) 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) family wealth management companies subject to the Law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but 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 Law, (ii) a vehicle governed by the Law of 22 March 2004 on securitisation, (iii) an investment company governed by the amended law of 15 June 2004 relating to the investment company in risk capital, (iv) a specialised investment fund subject to the 2007 Law; (v) a reserved alternative investment fund subject to the law of 23 July 2016 on reserved alternative investment fund, or (vi) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies. 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 tax 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 Fund 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 assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Fund 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 and report information regarding a Shareholder.

Responding to CRS related questions is mandatory. Personal Data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Fund in the data protection section of the Prospectus in compliance with Luxembourg data protection law. Information regarding an investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law.

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 advisors on the possible tax and other consequences with respect to the implementation of the CRS.

C. Foreign Account Tax Compliance Act ("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 Fund would hence have to comply with this Luxembourg IGA, as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA ("FATCA Law"), in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under FATCA Law and the IGA, the Fund 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 Fund 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 Fund intends to comply with the provisions of the FATCA Law and the 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 Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law places upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA, the Fund may, acting in good faith and on reasonable grounds in accordance with the foregoing and to the extent permitted by applicable laws and regulations:

- a) Request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) Report information concerning a shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the IGA;
- c) Report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d) Deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the IGA; and
- e) Divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

Reports to the Luxembourg tax authorities require the engagement of a third party agent for transmission.

GENERAL AND STATUTORY INFORMATION

The information in this section includes a summary of some of the provisions of the Articles and Material Contracts described below and is provided subject to the general provisions of each of such documents.

1. **The Fund**

The Fund was incorporated as an open-ended investment company (*société d'investissement à capital variable* – SICAV) with multiple compartments on 8 April 2014 and is registered under number B 186 321 with the *Registre de Commerce et des Sociétés de Luxembourg*. The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited. The initial capital on incorporation was EUR 31,000. On incorporation all the shares representing the initial capital were subscribed for and were fully paid. The Fund has designated a management company subject to the Law. The Articles were published in the *Mémorial, Recueil des Sociétés et Associations* (the "Mémorial") on 29 April 2014. The Articles were amended on 3 April 2018 in order to change the name of the Fund from "Quadra Capital" to "H2O Lux Invest".

2. **Segregation principle**

The rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of the Shareholders in relation to that Sub-Fund and the rights of the creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund. For the purpose of the relations between Shareholders, each Sub-Fund is deemed to be a separate entity.

3. **Share Capital**

The capital of the Fund will always be equal to the value of its net assets. The Shares are of no par value and must be issued fully paid. The Shares carry no preferential or pre-emption rights and each full Share is entitled to one vote at all meetings of Shareholders.

4. **Temporary suspension of Net Asset Value calculations and of issues, redemption and conversion of Shares**

The Board of Directors may suspend the determination of the Net Asset Value and hence the issue, redemption and conversion of Shares if, at any time, the Board of Directors believes that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise:

- a) If any exchange or Regulated Market on which a substantial portion of any Sub-Fund's investments is quoted or dealt in, is closed, or if dealings on any such exchange or market are restricted or suspended;

- b) If the disposal of investment by any Sub-Fund cannot be effected normally or without seriously prejudicing the interests of the Shareholders or the Fund;
- c) During any breakdown in the communications normally employed in valuing any of the assets or when for any reason the price or value of any of the assets attributable to a Sub-Fund cannot promptly and accurately be ascertained; or
- d) During any period when the Fund is unable to repatriate funds for the purpose of making payments on redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange;
- e) In case of a decision to liquidate the Fund or a Sub-Fund hereof on or after the day of publication of the related notice to Shareholders;
- f) During any period when in the opinion of the Board of Directors there exist circumstances outside of the control of the Fund where it would be impracticable or unfair towards the Shareholders to continue dealing in a Sub-Fund; and
- g) During any period when the determination of the Net Asset Value per Share of investment funds representing a material part of the assets of the relevant Sub-Fund is suspended.

Furthermore, and in accordance with the provisions on mergers of the Law, the Fund may temporarily suspend the subscription, the redemption or the conversion of Shares in case of a merger of a Sub-Fund, provided that such suspension is justified for the protection of the Shareholders.

No Shares of the relevant Sub-Fund will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Registrar and Transfer Agent before the suspension is lifted. Unless withdrawn, subscriptions for Shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Subscription Price, Redemption Price or Conversion Price (as the case may be) then prevailing.

Notice of any such suspension may be published at the sole discretion of the Board of Directors and will be notified to all persons who have applied for, or requested the redemption or conversion of, Shares. The Board of Directors may also, at their discretion, decide to make a publication in newspapers of the countries in which the Fund's Shares are offered for sale to the public.

Such a suspension in any Sub-Fund shall have no effect on the calculation of the Net Asset Value, the issue, redemption and conversion of the Shares of any other Sub-Fund.

In accordance with the Law, the issue and redemptions of Shares shall be prohibited:

- a) during the period where the Fund has no depositary; and
- b) where the Depositary is put into liquidation, declared bankrupt, seeks an arrangement with its creditors, is subject to a suspension of payment or controlled management or is the subject of similar proceedings.

5. Publication of Prices

The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price may be obtained from the registered office of the Fund.

6. Meetings

The annual general meeting of Shareholders shall be held each year at the Fund's registered office or at any other location in the Grand Duchy of Luxembourg which will be specified in the convening notice to the meeting at any date and time decided by the Board of Directors but no later than six months from the end of the Fund's previous financial year.

Shareholders will be convened in accordance with Luxembourg law. The convening notices shall include details of the time and place of the meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.

The notice of any general meeting of Shareholders may also provide that the quorum and the majority of such general meeting shall be determined by reference to the Shares issued and outstanding at midnight on the fifth day preceding the day on which such meeting of Shareholders will be held (the "Record Date"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

In accordance with the Fund's Articles and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the general meeting of all Shareholders of the Fund. Any decisions affecting Shareholders in one or several Sub-Funds/Classes may be taken by just those Shareholders in the relevant Sub-Funds/Classes to the extent that this is allowed by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles shall apply.

7. Liquidation of the Fund

The Fund may be liquidated:

- By resolution of the general meeting of Shareholders of the Fund adopted in the manner required for amendments of the Articles;
- If its capital falls below two thirds of the minimum capital, which is EUR 1,250,000. The Board of Directors must submit the question of dissolution of the Fund to a general meeting for which no quorum shall be prescribed and which shall decide by simple majority of the Shares represented at the meeting;
- If its capital falls below one fourth of the minimum capital, the Board of Directors must submit the question of the dissolution to a general meeting for which no quorum shall be prescribed. Dissolution may be resolved by Shareholders holding one fourth of the Shares at the meeting.

Should the Fund be liquidated, then the liquidation will be carried out in accordance with the provisions of the Law. Amounts unclaimed at the close of liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg for the benefit of the persons entitled thereto. Amounts not claimed within the prescription period may be forfeited in accordance with applicable provisions of Luxembourg law.

8. Liquidation and merger of Sub-Funds

Under the conditions set out in the Law and applicable regulations, any merger of a Sub-Fund with another Sub-Fund or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for the merger to the meeting of Shareholders of the Sub-Fund concerned. In the latter case, no quorum is required for this meeting and the decision for the merger is taken by a simple majority of the votes cast. In the case of a merger of a Sub-Fund where, as a result, the Fund ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of Shareholders resolving with a simple majority of the votes cast.

In addition, if at any time the Board of Directors determines upon reasonable grounds that:

- (i) In order to proceed to an economic rationalisation;
- (ii) In the event that a change in the economic or political situation relating to a Sub-Fund so justifies; or

- (iii) In the event that the total Net Asset Value of any Sub-Fund is less than the amount which the Board of Directors considers as being the minimum amount required for the existence of such Sub-Fund in the interest of the Shareholders,

then, the Board of Directors may decide the liquidation of a Sub-Fund. Shareholders will be notified by the Fund prior to the effective date of the liquidation and the notice will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

The Board of Directors may also submit the question of the liquidation of a Sub-Fund to the Shareholders concerned and such meeting will resolve on such liquidation with a simple majority.

9. Consolidation/split of Classes

The Board of Directors may also, subject to regulatory approval (if required), decide to consolidate or split any Classes within a Sub-Fund. To the extent required by Luxembourg law, such decision will be published or notified in the same manner as described above and the publication and/or notification will contain information in relation to the proposed split or consolidation. The Board of Directors may also decide to submit the question of the consolidation or split of Class(es) to a meeting of holders or such Class(es). No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:

- (A) A management company agreement dated as of 9 May 2014 as amended from time to time between the Fund and the Management Company, pursuant to which the latter was appointed management company of the Fund, subject to the overall control of the Board of Directors, with responsibility on a day-to-day basis, for providing administration, marketing and investment management in respect of all the Sub-Funds of the Fund.
- (B) An investment management agreement entered into between the Fund, the Management Company and the Investment Manager pursuant to which the latter was appointed by the Management Company to manage the Sub-Funds' investments, subject to the overall control of the Management Company (the "**Investment Management Agreement**").

- (C) A global distribution agreement entered into between the Fund, the Management Company and the Global Distributor pursuant to which the latter was appointed by the Management Company to act as the exclusive global distributor of the Fund (the "**Global Distribution Agreement**").
- (D) A depositary agreement dated as of 28 October 2016 as amended from time to time between the Fund and CACEIS Bank, Luxembourg Branch pursuant to which the latter was appointed as Paying Agent, Depositary of the Fund.
- (E) A central administration agreement dated as of 9 May 2014 as amended from time to time between the Management Company, the Fund and CACEIS Bank, Luxembourg Branch pursuant to which the latter was appointed as Administrator and Registrar and Transfer Agent of the Fund.

Any of the above Agreements may be amended by mutual consent of the parties, consent on behalf of the Fund being given by the Board of Directors.

11. Documents available for inspection

The following documents are available for inspection at the registered office of the Fund and at the office of the Depositary:

1. The Articles of Incorporation of the Fund, the Prospectus of the Fund and the KIDs of the Sub-Funds; and
2. The Material Contracts as listed above.

Copies of the Articles of Incorporation, the Prospectus, the annual and semi-annual reports of the Fund and the KID of each Sub-Fund may be obtained from the registered office of the Fund. Such reports shall be deemed to form part of this Prospectus.

12. Recognition and Enforceability of Judgements

According to Regulation (EU) 1215/2012 of 12 December 2012 of the European Parliament and of the Council on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters, a judgement given in a Member State shall, if enforceable in that Member State, in principle (a few exceptions are provided for in Regulation (EU) 1215/2012) be recognised in the other Member State without any special procedure being required and shall be enforceable in the other Member States without any declaration of enforceability being required.

13. **Benchmark Regulation**

Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") came into full effect on 1 January 2018. The Benchmark Regulation introduces a new requirement for all benchmark administrators providing indices which are used or intended to be used as benchmarks in the EU to be authorized or registered by the competent authority. In respect of the Sub-Funds, the Benchmark Regulation prohibits the use of benchmarks unless they are produced by an EU administrator authorized or registered by ESMA or are non-EU benchmarks that are included in ESMA's public register under the Benchmark Regulation's third country regime.

The benchmarks used by the Sub-Funds are, as at the date of this Prospectus, provided by benchmark administrators who are out of the scope of the Benchmark Regulation, as provided for in article 2 of the Benchmark Regulation.

These administrators are: the European Central Bank and the New York Federal Reserve.

Under its supervision and subject to its approval, the Management Company with the help of the Investment Manager produces and maintains a written plan setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided, on request and free of charges at the registered office of the Management Company in Luxembourg.

Additional Information for Canadian Investors

An investment in the Shares of the Fund is only available to an investor who is: (a) an "accredited investor" within the meaning of National Instrument 45-106 - Prospectus Exemptions who is subscribing to the Shares of the Fund and any subsequent Shares as principal for the its own account and not for the benefit of any other person; and (b) a "permitted client" within the meaning of National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Securities legislation in certain provinces or territories of Canada may provide an investor with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the investor within the time limit prescribed by the securities legislation of the investor's province or territory. The investor should refer to any applicable provisions of the securities legislation of the investor's province or territory for particulars of these rights or consult with a legal advisor.

SUB-FUND APPENDICES

H2O LUX INVEST – H2O Global Emerging Total Return
H2O LUX INVEST – H2O MultiEquilibrium

APPENDIX 1: H2O LUX INVEST – H2O Global Emerging Total Return

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide a total return of capital growth and income. The Sub-Fund will invest in bonds and floating rate securities (denominated in any currency and of any credit quality) issued by governments, government agencies, supra-national and corporate issuers from but not limited to emerging market countries, as well as in currency markets.

The Sub-Fund is actively managed. The benchmark ESTER is only used for the purpose of calculating the performance fee payable to the Investment Manager. The Investment Manager is not in any way constrained by the benchmark in its portfolio positioning. The deviation from the benchmark may be complete.

For this purpose, the Sub-Fund will employ financial derivative instruments for hedging and investment purposes. Such financial derivative instruments may include but are not limited to, over the counter and/or exchange traded options, futures, warrants, interest rate swaps, credit default swaps, forward rate agreements, currency forward contracts and non-deliverable forwards.

The Sub-Fund may invest in bonds as follows:

- (i) Rated bonds:
 - a. issued or guaranteed by:
 - i. OECD member states, with no rating restrictions: Up to 100% of the Sub-Fund's net assets, including a maximum of 75% in non-investment grade bonds according to Standard & Poor's, Fitch or Moody's rating scales;
 - ii. Non-OECD member states, with no rating restrictions and issued in G4 currencies (USD, EUR, GBP, JPY) or in local currencies: up to 50% of the Sub-Fund's net assets.
 - b. consisting in corporate bonds issued by companies (i.e. non-government bonds):
 - i. with their registered office in an OECD country:
 - With an investment grade credit rating (for example, BBB- according to Standard & Poor's or Fitch rating scales, or Baa3 according to Moody's): Up to 100% of the Sub-Fund's net assets; or
 - With a non-investment grade credit rating at purchase (below BBB- according to Standard & Poor's or Fitch rating scales, or Baa3 according to Moody's): up to 50% of the Sub-Fund's net assets.
 - ii. with their registered office in a non-OECD country, with no rating restrictions and issued in G4 currencies (USD, EUR, GBP, JPY) or in local currencies: up to 50% of the Sub-Fund's net assets.

With respect to investment grade bonds, if the issue is rated simultaneously by the three agencies at the time of purchase, at least two of the three ratings must be "investment grade". If the issue is rated by only two agencies, at least one of the two ratings must be "investment grade". If the issue is rated by only one agency, the rating must be "investment grade".

The Sub-Fund shall not invest in bonds qualifying as distressed bonds, at the time of acquisition. The Sub-Fund may, however, continue to hold bonds for which the initial rating has subsequently been downgraded (even in case they become distressed bonds according to Standard & Poor's, Fitch or Moody's, to the extent that the Sub-Fund does not end holding distressed bonds for more than 10% of its Net Asset Value). In such situations, the Investment Manager will proceed to a thorough review of the reasons that led to such credit downgrading. If these reasons are in conflict with the elements that first motivated the inclusion of the downgraded security in the portfolio, the security will be sold as shortly as possible depending on market liquidity.

Moreover, when the rating of an issuer of a security already present in the portfolio deteriorates and falls below the minimum "investment" grade rating (equivalent to a minimum rating of BBB- according to Standard & Poor's and Fitch or Baa3 according to Moody's), the Investment Manager will examine the case for keeping the securities in the portfolio or disposing of them, while maintaining as its principal criterion the interests of the shareholders.

(ii) Unrated Bonds:

The Sub-Fund may invest up to 75% in unrated non-government bonds issued by companies with their registered office in an OECD country. When an issue is unrated, the issuer's rating will notably be taken into account by the investment manager. The Investment Manager relies on its teams and its own methodology to appraise credit risk.

For the avoidance of doubts, the Sub-Fund may, in aggregate, be composed of 100% of non-investment grade bonds.

For the avoidance of doubt, the Sub-Fund will not invest more than 10% of its net asset in UCITS and other UCIs (as defined under "Investment Restrictions" I. (1) of the main part of the Prospectus) even in the cases where the Investment Manager deems it necessary for defensive purposes and on a temporary basis.

The Sub-Fund will not directly invest in Chinese onshore bonds and floating rate securities.

The Sub-Fund may also invest in money market instruments (such as, but not limited to treasury bills, annual interest treasury bills, commercial paper, Euro Commercial Paper) and money market UCITS/ UCI in order to achieve its investment goals.

If the Investment Manager deems it necessary for defensive purposes and on a temporary basis, the Sub-Fund may invest up to 100% of its net assets in short term bonds, money market instruments, deposits, units and shares of money market UCIs or in cash.

For the purposes of the Sub-Fund, emerging market countries are the countries represented in the JPMorgan Emerging Market Bond Index Global (Bloomberg: JPEGCOMP) in addition to a limited number of countries that the investment manager considers as being emerging markets. A full list, established by the Investment Manager, will be made available from the registered office of the Fund. For the avoidance of doubt, the Sub-Fund does not intend to track the foregoing index nor does it intend to track the country weightings of the foregoing index.

Profile of the typical Investor

The Portfolio is suitable for investors seeking medium-term growth through capital appreciation as well as the generation of income, who are comfortable with and understand the risks of emerging markets and who have a medium term investment horizon.

Reference Currency

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

The HI – USD and HA – USD classes, denominated in USD, are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/USD exchange rate on the Fund's performance.

These classes therefore aim to achieve the best performance of the strategy during the investment term of the Fund by hedging against the EUR/USD exchange rate risk, which could affect the net asset value.

The HI – CAD and HA – CAD classes, denominated in CAD, are hedged against exchange rate risk to limit the impact of fluctuations in the EUR/CAD exchange rate on the Fund's performance.

These classes therefore aim to achieve the best performance of the strategy during the investment term of the Fund by hedging against the EUR/CAD exchange rate risk, which could affect the net asset value.

Dividend policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out unless otherwise explicitly provided for hereafter.

For the Classes S Shares, I Shares, A Shares and P Shares that are issued in distribution form designated by "Dist", the Fund intends to distribute an annual dividend.

Classes

Classes	Eligible investors	Minimum initial subscription amount and minimum holding amount	Minimum subsequent investment	Investment Management fee*	Performance fee
Class P Shares	Investors who are specifically approved by the Board of Directors or who are investing through certain distributors which have a specific arrangement with the Global Distributor	EUR 10, 000 or the equivalent in another acceptable currency**	10,000 EUR or equivalent	Up to 1.00% of the average total net assets of the Class	25% maximum
Class S Shares	Institutional Investors who are specifically approved by the Board of Directors or who are investing through certain distributors which have a specific arrangement with the Global Distributor	EUR 15 Mio or the equivalent in another acceptable currency**	1 Mio EUR or equivalent	Up to 1.50% of the average total net assets of the Class	25% maximum
Class I Shares	Institutional Investors	EUR 5 Mio or the equivalent in another acceptable currency**	100,000 EUR or equivalent	Up to 1.75% of the average total net assets of the Class	25% maximum

Class A Shares	All investors	EUR 1,000 or the equivalent in another acceptable currency**	1,000 EUR or equivalent	Up to 2.00% of the average total net assets of the Class	25% maximum
Class HI - USD Shares***	Institutional Investors	USD 5 Mio or the equivalent in another acceptable currency**	100,000 USD or equivalent	Up to 1.75% of the average total net assets of the Class	25% maximum
Class HA - USD Shares***	All investors	USD 1,000 or the equivalent in another acceptable currency**	1,000 USD or equivalent	Up to 2.00% of the average total net assets of the Class	25% maximum
Class HI - CAD Shares****	Institutional Investors	CAD 5 Mio or the equivalent in another acceptable currency**	100,000 CAD or equivalent	Up to 1.75% of the average total net assets of the Class	25% maximum
Class HA - CAD Shares****	All investors	CAD 1,000 or the equivalent in another acceptable currency**	1,000 CAD or equivalent	Up to 2.00% of the average total net assets of the Class	25% maximum

* The Investment Management fee is payable monthly and is accrued and calculated as of each Valuation Day.

** Minimum initial subscription amount and minimum holding amount unless the Board of Directors resolves otherwise.

*** Share systematically hedged against EUR/USD exchange rate risk.

**** Share systematically hedged against EUR/CAD exchange rate risk.

Class P Shares, Class S Shares, Class I Shares and Class A Shares may be issued in capitalisation (designated by "Acc") and in distribution form (designated by "Dist").

Valuation Day

The Net Asset Value of each Class shall normally be calculated each Business Day (a "Valuation Day").

Business Day

A Business Day is a full day on which banks are normally open for business in Luxembourg. 24 December shall not be considered as a Business Day.

Subscriptions

Shares are available for subscription on each Valuation Day at the applicable Net Asset Value.

Applications for Shares must be received by the Registrar and Transfer Agent by 12 noon CET on the relevant Valuation Day at the latest to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. The issue of Shares is conditional upon receipt of settlement within three (3) Business Days of the relevant Valuation Day. Payments of subscriptions must be made within three (3) Business Days of the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

A Subscription Charge, not exceeding 1% (for Classes S and I Shares) and 5% (for Class A Shares) of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Net Asset Value, may be added for the purpose of compensating the Distributors and financial intermediaries who assist in placing the Shares.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 12 noon CET on 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.

Redemption requests received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

On Class S Shares, any redemption request received within a period of 3 years following subscription therefore will be subject to the following Redemption Charge which will be paid to the Investment Manager:

	Redemption Charge
Year one	up to 4.00% of the fixed price at which Shares were offered during the Initial Offering Period or the Subscription Price at which Shares were offered thereafter
Year two	up to 2.00% of the fixed price at which Shares were offered during the Initial Offering Period or the Subscription Price at which Shares were offered thereafter
Year three	up to 1.00% of the fixed price at which Shares were offered during the Initial Offering Period or the Subscription Price at which Shares were offered thereafter

The applicable rate of Redemption Charge is determined by reference to the total length of time during which the Class S Shares being repurchased were in issue. In determining whether a Redemption Charge is applicable, the calculation will be effected in a manner that results in the lowest possible rate being applied. It will be assumed that, first, a repurchase will be made of those Class S Shares in issue for a period exceeding three (3) years and then those Class S Shares in issue for the longest period of time during the three (3) year period.

Payment of redemption proceeds will normally be made within three (3) Business Days after the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

Performance Fee

The performance fee applicable to a particular Share Class is based on a comparison of the performance of the Net Asset Value of the Class and its Reference Benchmark (model based on a benchmark index, meaning a performance fee model whereby the performance fees may only be charged on the basis of outperforming the reference benchmark) as described hereafter.

The Reference Benchmark for each Share Class is the daily capitalised ESTER index. The ESTER (or €STR, Euro Short Term Rate) is the reference rate for the interbank market in the euro zone. It is calculated by the European Central Bank.

Any underperformance of the Sub-Fund in relation to the Reference Benchmark must be compensated before performance fees become payable, regardless of the performance reference period concerned. The performance reference period is therefore the whole life of the Sub-Fund and it cannot be reset.

The performance fee is calculated and accrued on each Valuation Day and paid out of the Sub-Fund at the end of each financial year. For Share Classes launched during the course of the financial year, the first performance fee crystallisation period will be running from the launch date of the relevant Share Class until the end of the financial year that will follow.

A performance fee could be paid even if the Net Asset Value per Share has decreased.

When calculating the eventual performance fee, the Class of Shares performance will be determined on the basis of the change in the Net Asset Value, net of all costs (for example, management fees and operating costs) and gross of Performance Fee.

The High Water Mark (the "**HWM**") corresponds to the highest Net Asset Value per Share for the Share Class concerned, recorded at the end of each Observation Period since the date the Share Class was launched and which resulted in a performance fee being charged.

During the Observation Period and each time the Net Asset Value is calculated, the **Benchmark Value** is adjusted for the amounts of subscriptions/redemptions applicable to this Share Class, as well as in case of dividend distribution, and is valued in accordance with the performance of the relevant Reference Benchmark.

At the beginning of the Observation Period:

- i.** if the Net Asset Value of the relevant Share Class at the end of the previous Observation Period is higher than the Benchmark Value on that date, the Benchmark Value is then equal to the HWM multiplied by the number of Shares in the Share Class concerned on that same date;
- ii.** if the Net Asset Value of the relevant Share Class at the end of the previous Observation Period is lower than or equal to the Benchmark Value on that date, the Benchmark Value is adjusted for subscriptions/redemptions, as well as in case of dividend distribution, and is valued in accordance with the Reference Benchmark value applicable to the Share Class.

The **Observation Period** is defined as follows:

- Initial Observation Period: from 1 June 2022 to the last trading day in May 2023;
- For the following Observation Periods: from the first Valuation Day in June to the last Valuation Day in May of the following year.

The Share Class' performance is calculated according to changes (i.e. subscriptions, redemptions and distributions) in the Share Class's Net Asset Value.

The performance fee will be determined as follows:

- If, during the Observation Period and for a given Share Class, the value of the relevant Class is higher than the Benchmark Value as defined above, the performance fee will

represent up to 25% of the difference between these two values. A provision for performance fees is then accrued in the Net Asset Value.

- If, during the Observation Period and for a given Share Class, the value of the relevant Class is lower than the **Benchmark Value**, the performance fee will be zero. In this case, any previously made provisions in the Net Asset Value will be readjusted by reversing the provision.

The final performance fee will not be calculated until the end of the relevant Observation Period. The fee is then "crystallised" and, as such, may be charged, to the extent that any underperformance has been compensated.

In the event of redemption during the Observation Period, the portion of the provision corresponding to the number of Shares redeemed accrues permanently to the Investment Manager and may be charged before the end of the Observation Period in progress.

As performance fees are based on the performance of each Share Class, they are calculated on each Valuation Day and taken into account when calculating the Net Asset Value of the Share Class concerned. This method cannot therefore ensure that the actual performance of each investment is individually monitored, which may, in some cases, result in residual inequity between unitholders.

In other words, and by way of example, any investors subscribing during a period of overperformance when a performance fee has been provisioned "lose less" if the Net Asset Value falls, as they benefit from mitigation as a result of drawing on the provision, even though their investment did not contribute to establishing this provision. At the same time, investors who have already invested will not benefit from the full provision established since the beginning of the Observation Period in question (or from their subscription date, if this is after the beginning of this period).

Similarly, any investors subscribing during a period of underperformance when no performance fees have been provisioned "gain more" if the Net Asset Value increases, as they benefit from their investment appreciating, without having contributed to establishing provisions as long as the performance of the relevant Class is lower than the Benchmark Value. Nevertheless, for all Shareholders, these investments reduce the returns required to make up the difference between the Net Asset Value and the Benchmark Value. Performance fees will therefore be provisioned sooner.

Furthermore, if the performance of a particular Share Class over a given Observation Period is negative, performance fees may be charged under certain circumstances, if the performance of the Reference Benchmark is worse than that of the Share Class in question.

As a reminder, past performance data for the Reference Benchmark are available via a link/reference disclosed in the Sub-Fund's KIDs, in monthly factsheets and in annual report, which can be accessed on the website: www.h2o-am.com.

The simulations below illustrate several scenarios incorporating the assumptions of a lack of subscription/redemption flows for a given Share Class and zero performance of the Reference Benchmark.

The Performance Fee is 25% of the outperformance relative to the Reference Benchmark.

Examples of Performance Fee calculation:

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
At the end of	Sub-Fund's NAV at end of Reference Period (net of costs, gross of Performance Fee)	Sub-Fund's performance compared to latest relative HWM	Reference Benchmark	Reference Benchmark's performance compared to Benchmark's value associated with latest Reference Period where a Performance Fee was paid	Benchmark Value	Performance Fee F = MAX(0; 25%* G)	Surperformance of Sub-Fund compared to Benchmark Value since launch or last Reference Period where a Performance Fee was paid G = A - E	HWM
Y0	100.00	-	100.00	-	100.00	-	-	100
Y1	108.00	8.00%	105.00	5.00%	105.00	0.75	3.00	107.25
Y2	105.00	-2.10%	102.90	-2.00%	105.11	None	-0.11	107.25
Y3	110.00	2.56%	113.19	7.80%	115.62	None	-7.98	107.25
Y4	120.00	11.89%	101.87	-2.98%	104.05	3.99	15.95	116.01
Y5	127.62	10.00%	112.06	10.00%	127.62	None	0.00	116.01
Y6	125.00	7.75%	105.00	3.07%	119.58	1.36	5.42	123.65

The Sub-Fund is launched at Y0 with a NAV of 100.

At the end of the first year (Y1), the NAV is at 108 (gain of 8%) and the Reference Benchmark as well as the Benchmark Value are at 105 (gain of 5%). As the Sub-Fund has outperformed its Benchmark Value by 3%, the Investment Manager is entitled to a Performance Fee of 0.75% (25% x 3%). The Performance Fee amounts to 0.75 (0.75% * 100). The Sub-Fund's NAV net of Performance Fee amounts to 107.25 (108 - 0.75) and the HWM is set at 107.25. At the beginning of the second year (Y2), the Benchmark Value are set at 107.25.

At the end of the second year (Y2), the Sub-Fund (loss of -2.10%) has underperformed its Reference Benchmark (loss of -2.00%). The Benchmark Value are at 105.11 ($107.25 * (1 + (-2.00\%))$), above the Sub-Fund's NAV (105). Thus, no Performance Fee is payable. The HWM remains unchanged (107.25).

At the end of the third year (Y3), the Sub-Fund (gain of 2.56% since the last Reference Period where a performance fee was paid (i.e. Y1)) has underperformed the Reference Benchmark (gain of 7.80% since the last Reference Period where a performance fee was paid). The Benchmark Value are at 115.62 ($107.25 * (1 + 7.80\%)$), above the Sub-Fund's NAV (110). Thus, no Performance Fee is payable and the HWM remains unchanged (107.25).

At the end of the fourth year (Y4) and since the last Reference Period where a performance fee was paid (i.e. Y1), the Sub-Fund exhibits a performance of 11.89% (from 107.25 to 120) and the Reference Benchmark exhibits a performance of -2.98% (from 105 to 101.87). The Benchmark Value are at 104.05 ($107.25 * (1 + (-2.98\%))$). As the Sub-Fund has outperformed its Benchmark Value by 14.87% ($11.89\% - (-2.98\%)$), the Investment Manager is entitled to a Performance Fee of 3.72% ($25\% * 14.87\%$). The Performance Fee amounts to 3.99 ($3.72\% * 107.25$). The Sub-Fund's NAV net of Performance Fee amounts to 116.01 ($120 - 3.99$) and the new HWM level is set at 116.01. At the beginning of the fifth year (Y5), the Benchmark Value is set at the HWM (116.01).

At the end of the fifth year (Y5), the Sub-Fund as well as the Reference Benchmark exhibits a performance of 10.00% (from 116.1 to 127.62 and from 101.87 to 112.06). As the performance of the Sub-Fund equals the performance of the Reference Benchmark, no Performance Fee is payable. The HWM remains unchanged (116.01).

At the end of the sixth year (Y6), the Sub-Fund's NAV has decreased by -2.05% compared to the Sub-Fund's NAV at the end of the preceding year (Y5) (from 127.61 to 125.00) but has exceeded the last HWM by 7.75% (125.00 against 116.01) whereas the Reference Benchmark exhibits a performance of -6.30% compared to the preceding year (Y5) (from 112.06 to 105.00) and a performance of +3.07% compared to the latest Reference Benchmark when a Performance Fee was paid (i.e., Y4) (from 101.87 to 105). The Benchmark Value are at 119.58 ($116.01 * (1 + 3.07\%)$). As the Sub-Fund outperformed its Benchmark Value by 4.67% ($7.75\% - 3.07\%$), the Investment Manager is entitled to a Performance Fee of 1.17% ($25\% * 4.67\%$) notwithstanding the decrease of the Sub-Fund's NAV from Y5 to Y6. The Performance Fee amounts to 1.36 ($1.17\% * 116.01$). The Sub-Fund's NAV net of Performance Fee amounts to 123.65 ($125.00 - 1.36$) and the HWM is set at 123.65.

Risk Management

The risk measurement and monitoring of the Sub-Fund will be carried out using a value at risk (VaR) approach.

The Sub-Fund will apply an Absolute VaR risk management. The maximum Absolute VaR that the Sub-Fund can have is 20% of its Net Asset Value.

The expected level of leverage of the Sub-Fund is 1000%, which has been calculated using the "Sum of Notionals" of the derivatives used. Derivatives used for currency hedging purposes are expected to be the main contributor to the level of leverage. The "Sum of Notionals" calculation shows the total sum of the principal values of all derivatives used by the Sub-Fund not taking into account any netting of derivative positions, whereas the commitment calculation converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that financial derivative instrument.

The leverage is not expected to exceed the levels indicated above but investors should note that there is possibility of temporarily higher leverage levels in certain circumstances, e.g. where financial derivative instruments held in the Sub-Fund have to be rolled as they approach their maturity dates.

The expected levels of leverage indicated above reflect the use of all derivative instruments within the portfolio of the Sub-Fund. An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk. Shareholders should note that the "Sum of Notionals" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes.

The "Sum of Notionals" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements.

SFT Disclosure

As of the date of this Prospectus, it is not intended that the Sub-Fund invests in SFT Transactions and in total return swaps as defined in the SFT Regulation or in any other financial instruments with similar characteristics.

APPENDIX 2: H2O LUX INVEST – H2O MultiEquilibrium

Investment Objective and Policy

The Sub-Fund's objective is to outperform the daily compounded ESTER index by 2% per year over its minimum recommended investment period of three years and after the deduction of management and operating fees.

The Sub-Fund is actively managed. Its management objective is based upon the benchmark which is also a component of the performance fee calculation. The Investment Manager is not in any way constrained by the benchmark in its portfolio positioning. The deviation from the benchmark may be complete.

The investment strategy is focused on absolute performance, combining strategic and tactical positions and arbitrages on all global fixed income, equity and currency markets.

The Sub-Fund's asset allocation is therefore a consequence of these exposure choices. The investment strategy is based on a "top-down" approach and relies in particular on macroeconomic analysis, an analysis of capital flows and an appraisal of market valuations.

The overall modified duration of the Sub-Fund will be within a range from -4 to +4.

Management of OECD government bonds:

1. **Active management of the Fund's exposure to global bond market risk (modified duration);**
2. **Allocation of the Fund's modified duration** (positive or negative) as set out above between the four **main OECD government bond markets** (United States for the dollar zone, Germany for the Europe zone, United Kingdom and Japan) using relative value strategies (purchase of modified duration on certain markets, sale of modified duration on others);
3. **Allocation of modified duration** (positive or negative) as distributed on the bond markets above between their **four main curve segments** 1-3 years, 3-7 years, 7-15 years and 15-30 years: specific use of flattening, restructuring or lateral shift strategies on these curves;
4. Selection of the issuing country within the dollar zone (United States, Canada, Mexico, Australia and New Zealand) and the Europe zone (EMU member states, Norway, Sweden, Denmark, Iceland, Switzerland, Poland, Czech Republic and Hungary).

Management of OECD non-government bonds and non-OECD government and nongovernment bonds

Active management of exposure to the overall credit risk

1. Allocation of the overall credit risk between the main credit market segments: "investment grade" and "non-investment grade" (below BBB- according to Standard & Poor's or Fitch rating scales, or Baa3 according to Moody's) debt on the one hand and external and local debt of non-OECD countries on the other hand;
2. Selection of issuers in each of these segments.

Currency management:

1. **Strategic exposure to the US dollar:** purchase or sale of the US dollar against all other currencies;
2. **Relative allocation between the three main currency "blocs":** "European currencies" bloc (euro, pound sterling, Norwegian and Danish krone, Swedish and Icelandic krona, Swiss franc, Polish zloty, Czech koruna and Hungarian forint); "yen" bloc (Japanese yen and South Korean won); "commodity currency" bloc (where currency trends are linked to commodity prices: mainly the Canadian dollar, Australian dollar, New Zealand dollar and South African rand);
3. **Allocation within each bloc** by buying and selling each of the currencies comprising the three blocs;
4. Diversification among non-OECD market currencies.

Equity management:

1. **Active management of exposure to the asset class** within a range of -15%; +15% of the net assets in accordance with the bullish or bearish expectations of the management team;
2. **Positive or negative allocation of this exposure among geographic regions**, in accordance with the relative performance expectations of the management team;
3. Positive or negative sector allocation, in accordance with the relative performance expectations of the management team;
4. **Selection of securities from different sectors**, through the purchase or sale of equities.

The Sub-Fund may invest in:

a. Bonds:

- i. Up to 100% of the net assets in bonds issued or guaranteed by OECD member states with no ratings restrictions including a maximum of 65% in non-investment grade bonds according to Standard & Poor's, Fitch or Moody's rating scales;
- ii. Up to 60% of the net assets in investment grade non-government bonds issued by companies with their registered office in an OECD country. The Investment Manager relies on its teams and its own methodology to appraise credit risk. If an issue is unrated, the issuer's rating will notably be taken into account by the investment manager. In addition to this appraisal, the securities in question are subject to a minimum rating constraint corresponding to "investment grade" (for example, BBB- according to Standard & Poor's or Fitch rating scales, or Baa3 according to Moody's).

For i) (with the exception of non-investment grade bonds) and ii) above, if the issue is rated simultaneously by the three agencies at the time of purchase, at least two of the three ratings must be "investment grade". If the issue is rated by only two agencies, at least one of the two ratings must be "investment grade". If the issue is rated by only one agency, the rating must be "investment grade".

The Sub-Fund shall not invest in bonds qualifying as distressed bonds, at the time of acquisition. The Sub-Fund may, however, continue to hold bonds for which the initial rating has subsequently been downgraded (even in case they become distressed bonds according to Standard & Poor's, Fitch or Moody's, to the extent that the Sub-Fund does not end holding distressed bonds for more than 10% of its Net Asset Value). In such situations, the Investment Manager will proceed to a thorough review of the reasons that led to such credit downgrading. If these reasons are in conflict with the elements that first motivated the inclusion of the downgraded security in the portfolio, the security will be sold as shortly as possible depending on market liquidity.

Moreover, when the rating of an issuer of a security already present in the portfolio deteriorates and falls below the minimum "investment grade" rating (equivalent to a minimum rating of BBB- according to Standard & Poor's and Fitch or Baa3 according to Moody's), the Investment Manager will examine the case for keeping the securities in the portfolio or disposing of them, while maintaining as its principal criterion the interests of the unitholders.

- iii. Up to 15% of the assets in OECD corporate bonds rated "non-investment grade" (below BBB- according to Standard & Poor's or Fitch rating scales, or Baa3 according to Moody's) at purchase and non-OECD government and corporate bonds with no rating restrictions, issued in G4 currencies (USD, EUR, GBP, JPY) or in local currencies.

iv. Up to 20% of the assets in convertible or exchangeable bonds.

v. Up to 10% of the assets in contingent convertible bonds.

b. UCITS and other UCIs:

The Sub-Fund may invest up to 10% of its assets in other UCITS and other UCIs (as defined under "Investment Restrictions" I. (1)(d) of the main part of the Prospectus).

c. Money market instruments:

The Sub-Fund's cash position is managed through the acquisition of money market instruments (treasury bills, annual interest treasury bills, commercial paper, Euro Commercial Paper and money market UCITS/ UCI) and deposits.

d. Equities:

All equities and similar instruments or rights attached to the ownership of these equities, on developed and emerging markets, up to a total net exposure limit of 15% of the net assets.

Active management of the risk related to the purchase and sale of equities will be conducted up to a net exposure limit of between -15% and +15% of the net assets through the use of derivative instruments.

e. Currencies:

The Sub-Fund may be exposed to all currencies, both OECD and non-OECD member states, through both purchases and sales.

The HUSD-I, HUSD-R, and HUSD-N units are hedged against the EUR/USD currency risk to limit the impact of fluctuations in the EUR/USD exchange rate on the Sub-Fund's performance. This unit class therefore aims to achieve the best hedging against the EUR/USD currency risk during the investment term of the Fund, which could affect performance.

The Sub-Fund will invest neither in asset-backed securities (ABS) nor in mortgage-backed securities (MBS). However, even if the Sub-Fund will not directly invest in ABS or MBS, it could potentially be indirectly exposed to ABS / MBS through its investments in one or more target fund(s).

Derivatives:

The investment process includes the use of financial derivative instruments for hedging and investment purposes, traded on regulated, organised or over-the-counter markets.

These are an alternative to bearer securities, especially at times of subscription/redemption flows or in specific circumstances such as major market fluctuations.

The use of derivatives by the Sub-Fund may create leverage.

TABLE OF DERIVATIVES

The following table gives an example of the financial derivative instruments that may be used by the Sub-Fund and for which purpose.

<i>Type of instrument used</i>	<i>RISK TYPE</i>					<i>OPERATION TYPE</i>	
	<i>Equity</i>	<i>Interest rate</i>	<i>Currency</i>	<i>Credit</i>	<i>Hedging</i>	<i>Exposure</i>	<i>Arbitrage</i>
<i>Futures on</i>							
<i>Equities</i>	X				X	X	X
<i>Interest rates</i>		X			X	X	X
<i>Exchange rates</i>			X		X	X	X
<i>Indices</i>	X	X	X	X	X	X	X
<i>Options on</i>							
<i>Equities</i>	X				X	X	X
<i>Interest rates</i>		X			X	X	X
<i>Exchange rates</i>			X		X	X	X
<i>Indices</i>	X				X	X	X
<i>Swaps</i>							
<i>Equities</i>	X				X	X	X
<i>Interest rates</i>		X			X	X	X
<i>Exchange rates</i>			X		X		
<i>Indices</i>	X				X	X	X
<i>Forex forward</i>							
<i>Currency</i>			X		X	X	X
<i>Credit derivatives</i>							

<i>Credit default swaps (CDS)</i>						X	X	X
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Securities with embedded derivatives:

The Sub-Fund may also invest in securities with embedded derivatives, i.e. share subscription warrants, callable and puttable rate products and convertible and exchangeable bonds.

The use of securities with embedded derivatives aims to achieve the Sub-Fund’s management objective by fulfilling the same functions as derivatives.

TABLE OF SECURITIES WITH EMBEDDED DERIVATIVES

The following table gives an example of the securities with embedded derivatives which may be used by the Sub-Fund.

<i>Type of instrument used</i>	RISK TYPE					OPERATION TYPE			
	Equity	Interest rate	Currency	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other(s)
Subscription warrants									
Equities	X					X	X	X	
Interest rates									
Equity-linked products									
Convertible bonds									
Exchangeable bonds	X	X		X		X	X	X	
Convertible bonds	X	X		X		X	X	X	
Callable interest rate products		X	X	X	X	X	X		X
Puttable interest rate products		X	X	X	X	X	X		X

Profile of the typical Investor

The Sub-Fund is suitable for investors seeking medium-term growth through capital appreciation as well as the generation of income, who are comfortable with and understand the risks of emerging markets and who have a medium term investment horizon.

Reference Currency

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

Dividend policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out unless otherwise explicitly provided for hereafter.

For the Classes EUR – I Dist that are issued in distribution form designated by "Dist", the Sub-Fund intends to distribute an annual dividend.

SFT Disclosure

As of the date of this Prospectus, it is not intended that the Sub-Fund invests in SFT Transactions and in total return swaps as defined in the SFT Regulation or in any other financial instruments with similar characteristics.

Classes

Classes	Eligible investors	Minimum initial subscription amount and minimum holding amount	Minimum subsequent investment	Investment Management fee*	Performance fee
Class EUR – I Shares	All subscribers, particularly Institutional Investors	100.000 euros or the equivalent in another accepted currency**	1 tenthousandth of a share	0.60 % maximum	25% maximum
Class EUR – R Shares	All subscribers	1 tenthousandth of a share**	1 tenthousandth of a share	1.20 % maximum	25% maximum
Class EUR – N Shares	Subscription to this Class is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to	1 tenthousandth of a share**	1 tenthousandth of a share	0.70 % maximum	25% maximum

	distributors, or that provide an independent advisory service as defined by the MiFID II or an individual portfolio management service under mandate				
Class EUR – I Dist Shares	All subscribers, particularly Institutional Investors	100.000 euros or the equivalent in another accepted currency**	1 tenthousandth of a share	0.60 % maximum	25% maximum
Class HUSD – I Shares***	All subscribers, particularly Institutional Investors	100.000 USD or the equivalent in another accepted currency**	1 tenthousandth of a share	0.60 % maximum	25% maximum
Class HUSD – R Shares***	All subscribers	1 tenthousandth of a share**	1 tenthousandth of a share	1.20 % maximum	25% maximum
Class HUSD – N Shares***	Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors, or that provide an independent advisory	1 tenthousandth of a share **	1 tenthousandth of a share	0.70 % maximum	25% maximum

	<p>service as defined by the MiFID II or an individual portfolio management service under mandate</p>				
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* The Investment Management fee is payable monthly and is accrued and calculated as of each Valuation Day.

** Minimum initial subscription amount and minimum holding amount unless the Board of Directors resolves otherwise.

*** Share systematically hedged against EUR/USD exchange rate risk

Class I Shares, Class R Shares and Class N Shares may be issued in capitalisation and in distribution form (designated by "Dist").

Valuation Day

The Net Asset Value of each Class shall normally be calculated each Business Day (a "Valuation Day").

Business Day

A Business Day is a full day on which banks are normally open for business in Luxembourg. 24 December shall not be considered as a Business Day.

Subscriptions

Investors may subscribe for Shares in the Sub-Fund during an Initial Offering Period, the beginning and duration of which will be determined by the Board of Directors at its sole discretion at a fixed price that will also be determined by the Board of Directors at its sole discretion.

The Initial Offering Period may be prolonged by a decision of the Board of Directors at its sole discretion.

Thereafter, Shares are available for subscription on each Valuation Day at the applicable Net Asset Value.

Applications for Shares must be received by the Registrar and Transfer Agent by 12 noon CET on the relevant Valuation Day at the latest to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. The issue of Shares is conditional upon receipt of

settlement within three (3) Business Days of the relevant Valuation Day. Payments of subscriptions must be made within three (3) Business Days of the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

A Subscription Charge, not exceeding 1% (for Class I Shares) and 2% (for Classes R and N Shares) of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Net Asset Value, may be added for the purpose of compensating the Distributors and financial intermediaries who assist in placing the Shares.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 12 noon CET on 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.

Redemption requests received by the Registrar and Transfer Agent after the above Cut-off time will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

Payment of redemption proceeds will normally be made within three (3) Business Days after the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

No redemption fee will apply.

Reference Benchmark

For shares EUR – I, EUR – R, EUR – N, EUR – I Dist:

The daily capitalised ESTER index:

- + 2 % for shares EUR – I and EUR – I Dist,
- + 1.40% for the share EUR – R,
- + 1.90% for the share EUR – N,

The ESTER (or €STR, Euro Short Term Rate) is the reference rate for the interbank market in the euro zone. It is calculated by the European Central Bank.

For shares HUSD-I, HUSD-R and HUSD-N:

The daily capitalized SOFR index:

- + 2% for the share HUSD – I,
- + 1.40% for the shares HUSD – R
- + 1.90% for the shares HUSD – N.

The Secured Overnight Financing Rate (SOFR) is the benchmark rate for the US dollar (USD) interbank market. It is calculated by the New York Federal Reserve.

Performance Fee

The performance fee applicable to a particular Share Class is based on a comparison of the performance of the Net Asset Value of the Class and its Reference Benchmark (model based on a benchmark index, meaning a performance fee model whereby the performance fees may only be charged on the basis of outperforming the reference benchmark) as described hereafter.

The Reference Benchmark for each Share Class is set out in the section "Reference Benchmark" above.

Any underperformance of the Sub-Fund in relation to the Reference Benchmark must be compensated before performance fees become payable, regardless of the performance reference period concerned. The performance reference period is therefore the whole life of the Sub-Fund and it cannot be reset.

The performance fee is calculated and accrued on each Valuation Day and paid out of the Sub-Fund at the end of each financial year. For Share Classes launched during the course of the financial year, the first performance fee crystallisation period will be running from the launch date of the relevant Share Class until the end of the financial year that will follow.

A performance fee could be paid even if the Net Asset Value per Share has decreased.

When calculating the eventual performance fee, the Class of Shares performance will be determined on the basis of the change in the Net Asset Value, net of all costs (for example, management fees and operating costs) and gross of Performance Fee.

The High Water Mark (the "**HWM**") corresponds to the highest Net Asset Value per Share for the Share Class concerned, recorded at the end of each Observation Period since the date the Share Class was launched and which resulted in a performance fee being charged.

During the Observation Period and each time the Net Asset Value is calculated, the **Benchmark Value** is adjusted for the amounts of subscriptions/redemptions applicable to this Share Class, as

well as in case of dividend distribution, and is valued in accordance with the performance of the relevant Reference Benchmark.

At the beginning of the Observation Period:

- i. if the Net Asset Value of the relevant Share Class at the end of the previous Observation Period is higher than the Benchmark Value on that date, the Benchmark Value is then equal to the HWM multiplied by the number of Shares in the Share Class concerned on that same date;
- ii. if the Net Asset Value of the relevant Share Class at the end of the previous Observation Period is lower than or equal to the Benchmark Value on that date, the Benchmark Value is adjusted for subscriptions/redemptions, as well as in case of dividend distribution, and is valued in accordance with the Reference Benchmark value applicable to the Share Class.

The **Observation Period** is defined as follows:

- Initial Observation Period: from 1 June 2022 to the last trading day in May 2023;
- For the following Observation Periods: from the first Valuation Day in June to the last Valuation Day in May of the following year.

The Share Class's performance is calculated according to changes (i.e. subscriptions, redemptions and distributions) in the Share Class's Net Asset Value.

The performance fee will be determined as follows:

- If, during the Observation Period and for a given Share Class, the value of the relevant Class is higher than the Benchmark Value as defined above, the performance fee will represent up to 25% of the difference between these two values. A provision for performance fees is then accrued in the Net Asset Value.
- If, during the Observation Period and for a given Share Class, the value of the relevant Class is lower than the **Benchmark Value**, the performance fee will be zero. In this case, any previously made provisions in the Net Asset Value will be readjusted by reversing the provision.

The final performance fee will not be calculated until the end of the relevant Observation Period. The fee is then "crystallised" and, as such, may be charged, to the extent that any underperformance has been compensated.

In the event of redemption during the Observation Period, the portion of the provision corresponding to the number of Shares redeemed accrues permanently to the Investment Manager and may be charged before the end of the Observation Period in progress.

As performance fees are based on the performance of each Share Class, they are calculated on each Valuation Day and taken into account when calculating the Net Asset Value of the Share Class

concerned. This method cannot therefore ensure that the actual performance of each investment is individually monitored, which may, in some cases, result in residual inequity between unitholders.

In other words, and by way of example, any investors subscribing during a period of overperformance when a performance fee has been provisioned "lose less" if the Net Asset Value falls, as they benefit from mitigation as a result of drawing on the provision, even though their investment did not contribute to establishing this provision. At the same time, investors who have already invested will not benefit from the full provision established since the beginning of the Observation Period in question (or from their subscription date, if this is after the beginning of this period).

Similarly, any investors subscribing during a period of underperformance when no performance fees have been provisioned "gain more" if the Net Asset Value increases, as they benefit from their investment appreciating, without having contributed to establishing provisions as long as the performance of the relevant Class is lower than the Benchmark Value. Nevertheless, for all Shareholders, these investments reduce the returns required to make up the difference between the Net Asset Value and the Benchmark Value. Performance fees will therefore be provisioned sooner.

Furthermore, if the performance of a particular Share Class over a given Observation Period is negative, performance fees may be charged under certain circumstances, if the performance of the Reference Benchmark is worse than that of the Share Class in question.

As a reminder, past performance data for the Reference Benchmark are available via a link/reference disclosed in the Sub-Fund's KIDs, in monthly factsheets and in annual report, which can be accessed on the website: www.h2o-am.com.

The simulations below illustrate several scenarios incorporating the assumptions of a lack of subscription/redemption flows for a given Share Class and zero performance of the Reference Benchmark.

The Performance Fee is 25% of the outperformance relative to the Reference Benchmark

Examples of Performance Fee calculation

	A	B	C	D	E	F	G	H
At the end of	Sub-Fund's NAV at end of Reference Period (net of costs, gross of Performance Fee)	Sub-Fund's performance compared to latest relative HWM	Reference Benchmark	Reference Benchmark's performance compared to Benchmark's value associated with latest Reference Period where a Performance Fee was paid	Benchmark Value	Performance Fee $F = \text{MAX}(0; 25\% * G)$	Surperformance of Sub-Fund compared to Benchmark Value since launch or last Reference Period where a Performance Fee was paid $G = A - E$	HWM
Y0	100.00	-	100.00	-	100.00	-	-	100
Y1	108.00	8.00%	105.00	5.00%	105.00	0.75	3.00	107.25
Y2	105.00	-2.10%	102.90	-2.00%	105.11	None	-0.11	107.25
Y3	110.00	2.56%	113.19	7.80%	115.62	None	-7.98	107.25
Y4	120.00	11.89%	101.87	-2.98%	104.05	3.99	15.95	116.01
Y5	127.62	10.00%	112.06	10.00%	127.62	None	0.00	116.01
Y6	125.00	7.75%	105.00	3.07%	119.58	1.36	5.42	123.65

The Sub-Fund is launched at Y0 with a NAV of 100.

At the end of the first year (Y1), the NAV is at 108 (gain of 8%) and the Reference Benchmark as well as the Benchmark Value are at 105 (gain of 5%). As the Sub-Fund has outperformed its Benchmark Value by 3%, the Investment Manager is entitled to a Performance Fee of 0.75% (25% x 3%). The Performance Fee amounts to 0.75 (0.75% * 100). The Sub-Fund's NAV net of Performance Fee amounts to 107.25 (108 – 0.75) and the HWM is set at 107.25. At the beginning of the second year (Y2), the Benchmark Value are set at 107.25.

At the end of the second year (Y2), the Sub-Fund (loss of -2.10%) has underperformed its Reference Benchmark (loss of -2.00%). The Benchmark Value are at 105.11 (107.25 * (1 + (-2.00%))), above the Sub-Fund's NAV (105). Thus, no Performance Fee is payable. The HWM remains unchanged (107.25).

At the end of the third year (Y3), the Sub-Fund (gain of 2.56% since the last Reference Period where a performance fee was paid (i.e. Y1)) has underperformed the Reference Benchmark (gain of 7.80% since the last Reference Period where a performance fee was paid). The Benchmark Value are at 115.62 (107.25 * (1 + 7.80%)), above the Sub-Fund's NAV (110). Thus, no Performance Fee is payable and the HWM remains unchanged (107.25).

At the end of the fourth year (Y4) and since the last Reference Period where a performance fee was paid (i.e. Y1), the Sub-Fund exhibits a performance of 11.89% (from 107.25 to 120) and the Reference Benchmark exhibits a performance of -2.98% (from 105 to 101.87). The Benchmark Value are at 104.05 ($107.25 * (1 + (-2.98\%))$). As the Sub-Fund has outperformed its Benchmark Value by 14.87% ($11.89\% - (-2.98\%)$), the Investment Manager is entitled to a Performance Fee of 3.72% ($25\% * 14.87\%$). The Performance Fee amounts to 3.99 ($3.72\% * 107.25$). The Sub-Fund's NAV net of Performance Fee amounts to 116.01 ($120 - 3.99$) and the new HWM level is set at 116.01. At the beginning of the fifth year (Y5), the Benchmark Value is set at the HWM (116.01).

At the end of the fifth year (Y5), the Sub-Fund as well as the Reference Benchmark exhibits a performance of 10.00% (from 116.1 to 127.62 and from 101.87 to 112.06). As the performance of the Sub-Fund equals the performance of the Reference Benchmark, no Performance Fee is payable. The HWM remains unchanged (116.01).

At the end of the sixth year (Y6), the Sub-Fund's NAV has decreased by -2.05% compared to the Sub-Fund's NAV at the end of the preceding year (Y5) (from 127.61 to 125.00) but has exceeded the last HWM by 7.75% (125.00 against 116.01) whereas the Reference Benchmark exhibits a performance of -6.30% compared to the preceding year (Y5) (from 112.06 to 105.00) and a performance of +3.07% compared to the latest Reference Benchmark when a Performance Fee was paid (i.e., Y4) (from 101.87 to 105). The Benchmark Value are at 119.58 ($116.01 * (1 + 3.07\%)$). As the Sub-Fund outperformed its Benchmark Value by 4.67% ($7.75\% - 3.07\%$), the Investment Manager is entitled to a Performance Fee of 1.17% ($25\% * 4.67\%$) notwithstanding the decrease of the Sub-Fund's NAV from Y5 to Y6. The Performance Fee amounts to 1.36 ($1.17\% * 116.01$). The Sub-Fund's NAV net of Performance Fee amounts to 123.65 ($125.00 - 1.36$) and the HWM is set at 123.65.

Risk Management

The risk measurement and monitoring of the Sub-Fund will be carried out using a value at risk (VaR) approach.

The Sub-Fund will apply an absolute VaR for risk management purposes only. The Sub-Fund's performance objective will be sought within a maximum ex-ante "Value-at-Risk" (VaR) of 10% over 20 days, with a confidence interval of 99% and within an indicative average annual ex-post volatility of 4-7%.

The expected level of leverage of the Sub-Fund is 750%, which has been calculated using the "Sum of Notionals" of the derivatives used. The "Sum of Notionals" calculation shows the total sum of the principal values of all derivatives used by the Sub-Fund not taking into account any netting of derivative positions, whereas the commitment calculation converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that financial derivative instrument.

The leverage is not expected to exceed the levels indicated above but investors should note that there is possibility of temporarily higher leverage levels in certain circumstances, e.g. where the financial derivative instruments held in the Sub-Fund have to be rolled as they approach their maturity dates.

The expected levels of leverage indicated above reflect the use of all derivative instruments within the portfolio of the Sub-Fund. An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk. Shareholders should note that the "Sum of Notionals" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes.

The "Sum of Notionals" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements.

The level of leverage results from substantial use of financial derivative instruments, including listed futures and options, swaps and forwards as further described in section "Investment Objective and Policy". The foreign exchange strategy and the equity strategy are expected to be the main contributors to the level of gross leverage. The Investment Manager, in order to be in a position to implement its investment strategy and meet the investment objective of the Sub-Fund, needs the investment flexibility to take significant exposure to derivative instruments. The highest level of leverage may be reached for example with an increasing use of derivative contracts (options, futures, etc.) on EUR/USD. These contracts may have a very high notional with a minimum risk.