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**Boussard & Gavaudan SICAV**

*Société d'Investissement à Capital Variable*

**Prospectus**

**March 2025**

Boussard & Gavaudan SICAV (the “**Company**”) is registered under part I of the Luxembourg law of 17 December 2010 concerning undertakings for collective investment, as may be amended from time to time (the “**Law**”). The Company qualifies as an Undertaking for Collective Investment in Transferable Securities under the 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, as amended from time to time including by means of the Directive 2014/91/EU as regards depositary functions, remuneration policies and sanctions (the “**Directive**”). The Company is managed by Boussard & Gavaudan Gestion S.A.S.

The Shares (as such term is defined below) have not been registered under the United States Securities Act of 1933 and may not be offered directly or indirectly in the United States of America (including its territories and possessions) to nationals or residents thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States law.

The distribution of this Prospectus in other jurisdictions may also be restricted; persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. This document does not constitute an offer by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Company shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date of this Prospectus.

All references herein to times and hours are to Luxembourg local time.

All references herein to EUR are to Euro.

All references herein to USD are to US Dollar.

All references herein to CHF are to Swiss Franc.

All references herein to GBP are to Pound.

Shareholders are informed that their personal data or information given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form and processed by the Company, the Management Company and their agents in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection, as amended (the “**2002 Law**”) for the purposes of carrying out the services provided (such as shareholder servicing and account management including processing subscription, conversion and redemption orders and shareholder's communications as well as to comply with legal or regulatory obligations including, but not limited to, legal or regulatory obligations under applicable fund and company law (such as maintaining the register of shareholders and recording orders), anti-money laundering and counter-terrorist financing law and tax law and similar laws and regulations in Luxembourg or at EU level. Confidential information concerning the investors will not be divulged unless required to do so by law or regulation. Investors agree that personal details contained in the application form and arising from the business relationship with the Company may be stored, modified or used in any other way, in compliance with the provisions of the 2002 Law, on behalf of the Company for the purpose of administering and developing the business relationship with the investor. To this end, investors accept that data may be transmitted to Boussard & Gavaudan group entities, the Management

Company, financial advisers working with the Company, as well as to other companies being appointed to support the business relationship.

In accordance with the provisions of 2002 Law, investors are entitled to request information about their personal data at any time as well as to request their correction.

The Company and/or the Management Company, for the purpose of FATCA compliance, may be required to disclose personal data relating to US Persons and/or non-participant FFIs (as defined hereafter) to the Luxembourg tax authorities which may transfer them to the Internal Revenue Service in the United States.

Data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to applicable legal minimum retention periods.

## **DIRECTORY**

Boussard & Gavaudan SICAV

*Société d'Investissement à Capital Variable*

Registered office: 5, allée Scheffer L-2520 Luxembourg, Grand-Duchy of Luxembourg

RCS: B 190584

### **Board of Directors**

#### Directors

- Nicolas Wirz, Director, Boussard & Gavaudan SICAV
- Pavina Inthamone, Head of Asset Management, Boussard & Gavaudan Gestion S.A.S
- Nicolas Rousselet, Business Development at Boussard & Gavaudan (Consultancy role on secondment from MITC SA)

### **Management Company**

Boussard & Gavaudan Gestion S.A.S., 69 boulevard Haussmann, 75008 Paris, France.  
The Management Company is in charge of the conduct of the portfolio management of the Company.

### **Management of the Management Company**

- Emmanuel Boussard (Président)
- Charles-Edouard Joseph (Directeur Général)
- Rubens Sérénade (Directeur Général)
- Pascal Gillot (Directeur Général)
- François Cornu (Directeur Général)

### **Sub-Investment Manager(s)**

Boussard & Gavaudan America, LLC, 295 Madison Avenue, Suite 3800, New York, NY 10017, United States of America

### **Investment Adviser(s)**

Boussard & Gavaudan Investment Management LLP, 166 Piccadilly, W1J 9EF, London, United Kingdom

**Depositary**

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

**Administration Agent**

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

**Auditors**

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

**Legal Advisors**

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

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## **PRINCIPAL FEATURES**

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

<b><i>Administration Agent</i></b>	CACEIS Bank, Luxembourg Branch, acting as registrar and transfer agent, and administration agent as further described below
<b><i>Articles</i></b>	the articles of association of the Company, as amended from time to time
<b><i>AML Regulations</i></b>	the law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, as well as associated Grand Ducal Regulation and CSSF Regulations and Circulars as amended from time to time
<b><i>Appendix</i></b>	an appendix to this Prospectus
<b><i>Board of Directors</i></b>	the board of directors of the Company
<b><i>Business Day</i></b>	a full business day on which Eligible Markets in Luxembourg, France (except official public holidays), Belgium, Netherlands, Portugal, Spain, Germany, Italy, United Kingdom and United States of America, are opened and any day on which TARGET 2 is open for the settlement of payments in Euro
<b><i>Class(es)</i></b>	pursuant to the Articles, the Board of Directors may decide to issue, within each Compartment, separate classes of Shares whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation, distribution policy or other feature may be applied
<b><i>Compartment(s)</i></b>	<p>the Company offers investors, within the same investment vehicle, a choice between several Compartments which are distinguished mainly by their specific investment policy and/or by the currency in which they are denominated. The specifications of each Compartment are described in the Appendix</p> <p>The assets and liabilities of each Compartment, as further described under 12.5. “Allocation of Assets and Liabilities among the Compartments”, shall be segregated from the assets and liabilities of those of the other Compartments, with creditors having recourse only to the assets of the Compartment concerned and where the liabilities cannot be satisfied out of the assets of another Compartment. As between the Shareholders and creditors, each Compartment will be deemed to be a separate entity</p> <p>The Board of Directors may, at any time, decide on the creation of further Compartments and in such case, the Appendix will be updated. Each Compartment may have one or more classes of Shares</p>
<b><i>Conversion of Shares</i></b>	unless specifically indicated to the contrary in the relevant Appendix for any Compartment and in compliance with eligibility conditions set forth for the Class in which conversion is to be made, Shareholders

may at any time request conversion of their Shares into Shares of another Class within the same existing Compartment or of another Compartment on the basis of the net asset values of the Shares of both Classes concerned, determined on the common applicable Valuation Day

<b>CSSF</b>	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg authority supervising the financial sector
<b>Depository</b>	CACEIS Bank, Luxembourg Branch, 5, allée Scheffer, L-2520 Luxembourg acting as depository bank in the meaning of the Law and paying and domiciliary agent
<b>Directive</b>	Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time including by means of Directive 2014/91/EU as regards depository functions, remuneration policies and sanctions
<b>Eligible Market</b>	a Regulated Market in an Eligible State
<b>Eligible State</b>	any Member State or any other state in (Eastern and Western) Europe, Asia, Africa, Australia, North and South America and Oceania, as determined by the Board of Directors
<b>EU</b>	the European Union
<b>FATCA Rules</b>	the Intergovernmental Agreement (IGA) entered into between the Luxembourg and US Governments on March 2014, the Luxembourg law on 24 July 2015 transposing the IGA, as well as to the extent relevant, provisions of the US Foreign Account Tax Compliance
<b>FATF</b>	Financial Action Task Force (also referred to as <i>Groupe d'Action Financière</i> )
<b>Feeder UCITS</b>	a Compartment of the Company which investment policy consists in investing at least 85% of its assets in units/shares in a Master UCITS according to article 77 of the Law, by way of derogation from Article 2(2) first indent, Articles 41, 43 and 46, and Article 48(2) third indent of the Law
<b>GDPR</b>	means Regulation (EU) 2016/679 of the European Parliament and of the Council (General Data Protection Regulation)
<b>Investment Adviser</b>	the investment adviser appointed by the Management Company
<b>Issue of Shares</b>	the subscription price per Share of each Class within the Compartments will be the net asset value per Share of such Class determined on the applicable Valuation Day plus the applicable sales commission
<b>KID</b>	the key information document as defined by the Law and applicable laws and regulations
<b>Law</b>	the law of 17 December 2010 concerning undertakings for collective investments, as may be amended from time to time including by

means of the Luxembourg law of 10 May 2016 transposing Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions

***Listing and Clearing***

shares of all Compartments may be listed on the Luxembourg Stock Exchange or any other Regulated Market at the discretion of the Board of Directors and can be cleared through Clearstream Banking or Euroclear or other central depositories

***Management Company***

Boussard & Gavaudan Gestion S.A.S., a French *société par actions simplifiée* appointed to act as the management company of the Company on the basis of the freedom to provide services pursuant to Chapter 15 of the Law

***Master UCITS***

A UCITS in which a Feeder UCITS invests at least 85% of its assets and which is not itself a feeder compartment, and does not hold units of a feeder compartment

***Member State***

a member state as defined in the Law

***Money Market Fund Regulation***

the regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as it may be amended or supplemented from time to time

***Redemption of Shares***

Shareholders may at any time request redemption of their Shares, at a price equal to the net asset value per Share of the Compartment concerned, determined on the applicable Valuation Day, less the applicable redemption charge

***Reference Currency***

the currency specified as such in the relevant Appendix to the Prospectus

***Regulated Market***

a market within the meaning of Article 4(1)(21) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public

***Repurchase Transaction***

has the meaning ascribed to it in Section 3.5 (*Securities Financing Transactions*)

***Reverse Repurchase Transaction***

has the meaning ascribed to it in Section 3.5 (*Securities Financing Transactions*)

***Securities Lending***

a transaction by which a lender transfers securities subject to a commitment that a borrower will return equivalent securities on a future date or when requested to do so by a lender

<b><i>SFTR</i></b>	Regulation (EU) 2015/2365 of the European Parliament and of 25 November 2015 on transparency of securities financing transactions and of reuse
<b><i>Shares</i></b>	shares of each Compartment are offered in registered form only and all Shares must be fully paid for. Fractions of Shares will be issued up to 2 decimals. In the absence of a request for Shares to be issued in any particular form, Shareholders will be deemed to have requested that their Shares be held in registered form without certificates
<b><i>Shareholders</i></b>	holders of Shares
<b><i>Sub-Investment Manager</i></b>	the sub-investment manager appointed by the Management Company (as the case may be) for a specific Compartment as further detailed in the Appendix
<b><i>Total Expense Ratio or TER</i></b>	ratio of the gross amount of the expenses of the relevant Compartment to their average net assets
<b><i>Total Return Swap</i></b>	a derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty
<b><i>UCI</i></b>	undertaking for collective investment within the meaning of the first and second indent of Article 1 (2) of the Directive, whether situated in a Member State or not
<b><i>UCITS</i></b>	undertaking for collective investment in transferable securities as defined in the Directive and the Law
<b><i>UCITS Rules</i></b>	the set of rules formed by the Directive and any derived or connected EU or national act, statute, regulation, circular or binding guidelines, including but not limited to the Luxembourg law of 10 May 2016 transposing Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions and amending the law of 17 December 2010 relating to undertakings for collective investment, as amended, and the law of 12 July 2013 on alternative investment fund managers, as amended, and the Circular CSSF 14/587 (as amended by Circular CSSF 15/608) setting out provisions applicable to credit institutions acting as depositaries of UCITS subject to Part I of the law of 17 December 2010 relating to undertakings for collective investment and to all UCITS, as the case may be, represented by their management company
<b><i>Underlying Asset</i></b>	the underlying asset(s) to which the investment policy of a Compartment may be linked insofar as described in the relevant Compartment's Appendix

***Valuation Day***

day on which the net asset value per Share is calculated and Shares may be issued, converted and redeemed and which is, unless otherwise provided for in the Appendix to the Prospectus for a Compartment, any Business Day

The Board of Directors may in its absolute discretion amend the Valuation Day for some or all of the Compartments. In such case the Shareholders of the relevant Compartment will be duly informed and the Appendix will be updated accordingly

## 1. THE COMPANY

Boussard & Gavaudan SICAV is an open-ended collective investment company (“*société d’investissement à capital variable*”) established under the laws of the Grand Duchy of Luxembourg, with an “umbrella” structure comprising different Compartments and Classes. A subscription of Shares constitutes acceptance of all terms and provisions of the Prospectus and the Articles.

There may be created within each Compartment different classes of Shares as described under “Principal Features – The Classes”.

## 2. THE MANAGEMENT COMPANY

The Company has appointed Boussard & Gavaudan Gestion S.A.S to serve as its designated Management Company in accordance with the Law pursuant to a management company services agreement dated as of 1<sup>st</sup> January 2021. Under this agreement, the Management Company is entrusted with responsibility for performing directly or by way of delegation all operational functions relating to the Company’s investment management, administration, and the marketing of the Funds.

The Management Company was incorporated as a *société par actions simplifiée* under the laws of France on 2 August 2002. The Management Company is registered with the Companies Registry of Paris (*Registre du Commerce et des Sociétés*) under the number 443 014 584. The Management Company's purpose of business is the provision of investment management services. The Management Company is authorised and supervised by the *Autorité des marchés financiers*, the French financial regulator to undertake investment business and has commenced trading on in April 2003.

The Management Company, with the consent of the Board of Directors and the CSSF, under its supervision and responsibility, has appointed Boussard & Gavaudan America, LLC (“**BGA**”) as Sub-Investment Manager pursuant to a sub-investment management agreement effective 3 May 2024 to provide portfolio management services in relation to the investment of the portfolios of the Compartments of the Company until its appointment shall be terminated. This agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice. BGA was established as a limited liability company under the laws of Delaware on 12 February 2016. BGA is registered in Delaware under the file number 5962171. BGA is authorised and supervised by the Financial Conduct Authority, the UK financial regulator to undertake investment business and has commenced trading on 21 July 2014.

The fees of BGA will be borne by the Management Company.

The Management Company, with the consent of the Board and the CSSF, under its supervision and responsibility, has appointed Boussard & Gavaudan Investment Management LLP (“**BGIM**”) as Investment Adviser pursuant to an investment advisory agreement effective 8 June 2022 to provide investment advisory services in relation to the investment of the portfolios of the Compartments of the Company until its appointment shall be terminated. This agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.

BGIM was incorporated as a limited liability partnership under the laws of England and Wales on 5 November 2013. BGIM is registered with the Company House of Cardiff under the number OC388967. BGIM is authorised and supervised by the Financial Conduct Authority, the UK financial regulator to undertake investment business and has commenced trading on 21 July 2014.

The fees of BGIM will be borne by the Management Company.

The management company services agreement is concluded for an indefinite period of time and may be terminated by either party upon three months' prior written notice or forthwith by notice in writing in the specific circumstances provided in such agreement.

In consideration of its services, the Management Company is entitled to receive fees as indicated in the relevant Appendix to the Prospectus. These fees shall be calculated based on the net asset value of the Compartment and shall be paid quarterly in arrears.

These remunerations shall be calculated based on the net asset value of the Compartments as further detailed in the relevant Appendix.

The Management Company may delegate certain of its duties to third parties. Third parties to whom such functions have been delegated by the Management Company will be remunerated directly by the Company (out of the assets of the relevant Compartment), except as otherwise provided in the relevant Appendix.

The Management Company has established remuneration policies consistent with the policies implemented at Boussard & Gavaudan Group's level, that:

- are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company or with its Articles;
- are in line with the business strategy, objective values and interests of the Management Company and which do not interfere with the obligation of the Management Company to act in the best interests of the Company;
- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks; and
- appropriately balance fixed and variable components of total remuneration.

The general principles of the remuneration policies are reviewed on a regular basis with regard to legislative and regulatory changes and are amended accordingly. The remuneration policies have been duly approved by the Management & Control Committee of Boussard & Gavaudan Group.

The up-to-date remuneration policies of the Management Company are available at: <https://www.boussard-gavaudan.com/fr/p/26/mentions-reglementaires>.

A paper copy is available free of charge upon request at the Management Company's registered office.

### **3. INVESTMENT POLICIES AND RESTRICTIONS**

#### **3.1 General Investment Policies for all Compartments**

The provisions of this section apply only insofar as they are compatible with the specific investment policy disclosed in the relevant Appendix.

The Board of Directors determines the specific investment policy and investment objective of each Compartment, which are described in more detail in the respective Appendix. The investment objectives of the Compartments will be carried out in compliance with the investment restrictions set forth in section 4.3.

Each Compartment seeks an above-average total investment return, comprised principally of long-term capital appreciation, by investing in a diversified portfolio of transferable securities or in financial derivative instruments as described in respect of the investment objective and policies in the relevant

Appendix. There can be no assurance that the investment objectives of any Compartment will be achieved.

In the general pursuit of obtaining an above-average total investment return as may be consistent with the preservation of capital, efficient portfolio management techniques may be employed to the extent permitted by the investment and borrowing restrictions stipulated by the Board of Directors.

The Compartments may from time to time also hold, on an ancillary basis, cash reserves or include other permitted assets with a short remaining maturity, especially in times when rising interest rates are expected.

Investors are invited to refer to the description of the investment policy of each Compartment in the Appendix for details.

The historical performance of the Compartments will be published on the website [www.boussard-gavaudan.com](http://www.boussard-gavaudan.com) for each Compartment. Past performance is not necessarily indicative of future results.

### **3.2 Specific Investment Policies for each Compartment**

The specific investment policy of each Compartment is described in the Appendix.

### **3.3 Investment and Borrowing Restrictions**

The Articles provide that the Board of Directors shall, based upon the principle of spreading of risks, determine the corporate and investment policy of the Company and the investment and borrowing restrictions applicable, from time to time, to the investments of the Company.

In order for the Company to qualify as a UCITS under the Law and the Directive, the Board of Directors has decided that the following restrictions shall apply to the investments of the Company and, as the case may be and unless otherwise specified for a Compartment in the Appendix, to the investments of each of the Compartments:

I.

- (1) The Company, for each Compartment, may invest in:
  - (a) transferable securities and money market instruments admitted to or dealt in on an Eligible Market;
  - (b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - (c) securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting;
  - (d) units of UCITS and/or other UCI, whether situated in a Member State or not, provided that:
    - (i) such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured,
    - (ii) the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the



rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the Directive,

- (iii) 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,
  - (iv) 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 Luxembourg regulatory authority as equivalent to those laid down in EU law;
- (f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter (“**OTC derivatives**”), provided that:
- (i) the underlying consists of instruments covered by this section I. (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Compartments may invest according to their investment objective;
  - (ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - (iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- (g) money market instruments other than those dealt in on an Eligible Market, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- (i) 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 third country or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - (ii) issued by an undertaking any securities of which are dealt in on Eligible Markets, or

- (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, such as, but not limited to, a credit institution which has its registered office in a country which is an OECD member state and a FATF State, or
  - (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 EUR) and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, 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 Company may invest a maximum of 10% of the net assets of any Compartment in transferable securities and money market instruments other than those referred to under (1) above.
- (3) Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Regulations (i) create a Compartment qualifying either as a Feeder UCITS or as a Master UCITS, (ii) convert any existing Compartment into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.
- (a) A Feeder UCITS shall invest at least 85% of its assets in the units of a Master UCITS.
  - (b) A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
    - (i) ancillary liquid assets in accordance with paragraph II below;
    - (ii) financial derivative instruments, which may be used only for hedging purposes.
  - (c) For the purposes of compliance with paragraph III (1) (c) below, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of under (b) with either:
    - (i) the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
    - (ii) 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.

II. Each Compartment may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in currency accounts) up to 20% of its net assets for ancillary liquidity purposes in normal market conditions. Under exceptional market conditions and on a temporary basis, this limit may be increased up to 100% of its net assets.

(1)

- (a) The Company may invest no more than 10% of the net assets of any Compartment in transferable securities and money market instruments issued by the same issuing body.
- (b) The Company may not invest more than 20% of the net assets of any Compartment in deposits made with the same body.
- (c) The risk exposure of a Compartment to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.

(2) Moreover, where the Company holds on behalf of a Compartment investment in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Compartment, the total of all such investments must not account for more than 40% of the total net assets of such Compartment.

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 (1), the Company may not combine for each Compartment:

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

in excess of 20% of the net assets of each Compartment.

(3) The limit of 10% laid down in sub-paragraph III. (1) (a) 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, including the federal agencies of the United States of America, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation, or by public international bodies of which one or more Member States are members.

(4) The limit of 10% laid down in sub-paragraph III. (1) (a) is increased to 25% for covered bonds 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, 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 holders of such debt securities. In

particular, sums deriving from the issue of such debt securities 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 Compartment invests more than 5% of its net assets in such debt securities 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 Compartment.

- (5) The transferable securities and money market instruments referred to in paragraphs (3) and (4) shall not be included in the calculation of the limit of 40% in paragraph (2).

The limits set out in sub-paragraphs (1), (2), (3) and (4) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Compartment'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 of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, as amended, 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. (1) to (5).

The Company may cumulatively invest up to 20% of the net assets of a Compartment in transferable securities and money market instruments within the same group.

- (6) Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Compartment, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD, Singapore, or any member state of the G20, or by public international bodies of which one or more member states of the EU, provided that such Compartment 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 Compartment.

### III.

- (1) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. (1) to (5) 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 Compartment is to replicate the composition of a certain stock or bond index which is recognised by the CSSF and 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 Compartment's investment policy.
- (2) The limit laid down in paragraph (1) 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.

#### IV.

- (1) The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- (2) Each Compartment may acquire no more than:
  - (a) 10% of the non-voting shares of the same issuer;
  - (b) 10% of the debt securities of the same issuer;
  - (c) 10% of the money market instruments of the same issuer.

These limits under 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. 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.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-member state of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-member state of the EU complies with the limits laid down in paragraph III. (1) to (5), V. (1) and (2) and VI.

#### V.

- (1) Unless otherwise provided for in the Appendix to the Prospectus for a Compartment, no more than 10% of a Compartment's net assets may be invested in aggregate in the units of UCITS and/or other UCIs referred to in paragraph I. (1) (c).

In the case the restriction of the above paragraph is not applicable to a specific Compartment as provided in its investment policy, (i) such Compartment may acquire units of UCITS and/or other UCIs referred to in paragraph I. (1) (c) provided that no more than 20% of the Compartment's net assets be invested in the units of a single UCITS or other UCI, and (ii) investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Compartment.

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

- (2) The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment and borrowing restrictions set forth under III. (1) to (5) above.
- (3) When the Company invests in the units of UCITS and/or other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other

UCITS and/or UCIs, except for any applicable dealing charge payable to the UCITS and/or UCIs.

In the case where a substantial proportion of the net assets are invested in investment funds the Appendix of the relevant Compartment will specify the maximum management fee (excluding any performance fee, if any) charged to the Compartment and each of the UCITS or other UCIs concerned.

- (4) Each Compartment 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 net 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 each individual compartment.

## VI.

- (1) The Company may not borrow for the account of any Compartment amounts in excess of 10% of the net assets of that Compartment, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans.
- (2) The Company may not grant loans to or act as guarantor on behalf of third parties.  
This restriction shall not prevent the Company from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) (c), (e) and (f) which are not fully paid.
- (3) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
- (4) The Company may not acquire movable or immovable property.
- (5) The Company may not acquire either precious metals or certificates representing them.

## VII.

- (1) The Company needs 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 Compartments may derogate from paragraphs III. (1) to (5), IV. and VI. (1) and (2) for a period of six months following the date of their creation.
- (2) If the limits referred to in paragraph (2) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.
- (3) To the extent that an issuer is a legal entity with multiple Compartment where the assets of the Compartment are exclusively reserved to the investors in such Compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that Compartment, each Compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III. (1) to (5), IV. and VI.

VIII. Each Compartment may, subject to the conditions provided for in the Articles as well as this Prospectus, subscribe, acquire and/or hold securities to be issued or issued by one or more Compartments of the Company with respect to the subscription, acquisition and/or the holding by a company of its own Shares, under the condition however that:

- (1) the target Compartment does not, in turn, invest in the Compartment invested in this target Compartment;
- (2) no more than 10% of the assets of the target Compartment whose acquisition is contemplated may, pursuant to the Articles be invested in aggregate in units of other target Compartments of the same company;
- (3) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Compartment concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- (4) in any event, for as long as these securities are held by the Company, their value will not be taken into consideration of the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

### **3.4 Financial Derivative Instruments**

As specified in I. (1) (e) above, the Company may in respect of each Compartment invest in financial derivative instruments.

The Company shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its net assets. The exposure is calculated taking into account the current value of the Underlying Assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Each Compartment may invest in financial derivative instruments within the limits laid down in I. (1) (e), provided that the exposure to the Underlying Assets does not exceed in aggregate the investment limits laid down in clause III. (1) to (5). When a Compartment invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in III. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction. When a Compartment qualifies as a Feeder UCITS, that Compartment shall calculate its global exposure related to financial derivative instruments in accordance with Section 3.3.I. (3) (c) above.

The Compartments may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the Law. Under no circumstances shall the use of these instruments cause a Compartment to diverge from its investment policy.

When a Compartment invests in a Total Return Swap or other financial derivative instrument with similar characteristics, the Total Return Swap will follow the unfunded model and the underlying assets and investment strategies to which exposure will be gained will be described in the relevant Compartment's investment objective and policy.

Where a Compartment uses Total Return Swaps, the maximum and the expected proportion of its assets under management that could be subject to these instruments will be set out in the Appendix for the relevant Compartment.

All revenues arising from Total Return Swaps will be returned to the relevant Compartment, and the Management Company will not take any fees or costs out of those revenues additional to the ones mentioned a percentage in the Appendix of the relevant Compartment.

### **3.5 Securities Financing Transactions**

The Compartments may use Securities Lending transactions as well as Repurchase Transactions and Reverse Repurchase Transactions (hereafter “**SFTs**”) in order to generate additional income or for the purpose of efficient portfolio management, in accordance with article 42(2) of the Law, as reflected in each Compartment’s Appendix.

The use of these SFTs by the Compartments is also governed by the Regulation (EU) 2015/2365 concerning the transparency of securities financing transactions and of reuse (“**SFTR**”) and the CSSF Circular 14/592.

The precise conditions under which those SFTs will be used by a Compartment, as well as the expected and maximum proportion of AUM that can be subject to SFTs, are described in the Appendix of the relevant Compartment.

This section of the Prospectus provides the following disclosures for each type of SFT:

- a general description of the SFT,
- a description of the rationale/objectives and impact of using the SFT,
- a description of the risks linked to the SFT and the risks linked to collateral management, and
- the percentage of gross revenues generated by the use of the SFT on the basis of arm’s length transactions which is returned to the Compartments and a breakdown of the overall percentage of direct and indirect operational costs/fees by service provider with an indication of the category of service provided.

#### **Securities Lending**

##### *General description*

Securities Lending involves a transfer of securities (shares or bonds) by a Compartment to a third party (the *borrower*), who will provide the Compartment with collateral in the form of cash or securities. The borrower pays the Compartment a fee – typically monthly – for the loan and is contractually obliged to return the securities on demand.

The Compartment is transferring legal title to the borrower. The borrower passes to the Compartment any dividends/interest payments that accrue on the securities loaned. The Company must ensure that it is able at any time to recall any security that has been lent out or terminate any Securities Lending into which it has entered.

##### *Rationale/objectives*

Securities Lending transactions are used by Compartments for efficient portfolio management purposes or in order to generate additional income, through the transaction itself or through the re-investment of the cash collateral. Compartments which re-invest cash collateral must ensure that they comply with all applicable UCITS provisions.



## Risks

The main risks to the Compartment are that the borrower becomes insolvent and/or that the value of the collateral provided falls below the cost of replacing the loaned securities. If both of these were to occur, the Compartment would suffer a financial loss equal to the difference between the two.

Other potential risks include the following:

- The Compartment suffers a loss on the re-investment of the cash collateral.
- The securities being lent are delivered to the borrower before the collateral is received.

The Company has appointed CACEIS Bank as securities lending agent for the Compartments that engage in Securities Lending. Most risks are mitigated by the lending agent's agreement to compensate losses suffered by a Compartment if the borrower fails to return lent securities (i.e. an event of default of the borrower). In the Securities Lending programme, securities are transferred temporarily to pre-approved borrowers in exchange for collateral: typically, from 102% to 105% of the value of the loaned securities.

The risk on the re-investment of the cash collateral, which is not indemnified by the lending agent, is mitigated by investing collateral in highly liquid and diversified money market funds and short-term government securities.

In Securities Lending transactions, borrowers will be regulated financial institutions headquartered in OECD countries which have, either directly or at parent level, a short-term rating from at least two of the three main credit rating agencies equal or above to A-2 with Standard & Poor's and P-2 with Moody's and which comply with provisions of Article 3 of the SFTR.

The risks involved in Securities Lending are further described in section 5.2 (*General Risks*) of this Prospectus.

## Revenues and costs

The Compartments that engage in Securities Lending pay 15% of the gross revenues generated from Securities Lending activities as costs / fees to the lending agent CACEIS Bank and retain 85% of the gross revenues generated from Securities Lending activities. All costs / fees of running the programme are paid from the lending agent's portion of the gross income (15%). This includes all direct and indirect costs / fees generated by the Securities Lending activities. The income generated by a Compartment from Securities Lending activities is disclosed in the Company's semi-annual and annual reports.

## **Repurchase Transaction / Reverse Repurchase Transaction**

### General description

A repurchase and reverse repurchase agreement transactions ("*Repurchase Transaction and Reverse Repurchase Transaction*") consist in the purchase and sale of securities whereby the terms of the agreement entitle the seller to repurchase from the purchaser the securities at a price and at a time agreed amongst the two parties at the conclusion of the agreement. Such a transaction is a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them.

### Rationale/objectives

As for Securities Lending, Reverse Repurchase Transactions may be used by Compartments for efficient portfolio management purposes or in order to generate additional income, through the

transaction itself or through the re-investment of the cash collateral received. Compartments which re-invest cash collateral must ensure that they comply with all applicable UCITS provisions.

Repurchase Transactions may be used by Compartments for efficient portfolio management or in order to generate additional income.

### Risks

In a Repurchase Transaction the main risk to the Compartment is that the counterparty becomes insolvent and/or that the value of the collateral provided by the Compartment exceeds the repurchase price owed by the Compartment. If both of these were to occur, the Compartment would suffer a financial loss equal to the difference between the two.

Conversely, in a Reverse Repurchase Transaction the main risk to the Compartment is that the counterparty becomes insolvent and/or that the repurchase price owed by the Counterparty exceeds the value of the collateral provided by the Counterparty. If both of these were to occur, the Compartment would suffer a financial loss equal to the difference between the two. Another potential risk in a Repurchase Transaction is that the Compartment suffers a loss on the re-investment of the cash collateral.

The risks involved in Repurchase Transactions and Reverse Repurchase Transactions are further described in section 5.2 (*General Risks*) of this Prospectus.

### Revenues and costs

The Compartments that engage in Repurchase Transactions and/or Reverse Repurchase Transactions retain 100% of the gross revenues generated from those transactions.

Transaction payments in Repurchase Transactions and Reverse Repurchase Transactions, such as for example the repurchase price payable by the seller in a Repurchase Transaction and interest paid on cash collateral received, reflect financing costs implicit in the transaction.

Other than the transaction payments, we do not expect the Compartments to bear the cost of any expenses incurred in connection with Repurchase Transactions and/or Reverse Repurchase Transactions.

We do not expect the Compartments to appoint an agent for Repurchase Transactions and Reverse Repurchase Transactions, and therefore we do not expect that a percentage of the revenue generated from those transactions would be payable to an agent.

### Rules

The following types of assets can be subject to Repurchase Transactions and Reverse Repurchase Transactions:

- short-term bank certificates or money market instruments as defined in Council Directive 2007/16/EC of 19 March 2007 (as amended);
- bonds issued or guaranteed by a member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- shares or units issued by money market UCIs calculating a net asset value on a daily basis and assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity; or
- shares quoted or negotiated on a regulated market or on a stock exchange of a member state of the OECD, provided that these shares are included in a main index.

The Company may act either as seller in Repurchase Transactions or as purchaser in a Reverse Repurchase Transactions. Its entering in such agreements is however subject to the following rules:

- The Company may purchase or sell securities in the context of a Repurchase Transaction or Reverse Repurchase Transactions only if its counterpart is a highly rated financial institution which are experts in this type of transactions and which are subject to prudential supervision rules considered by the Luxembourg regulatory authority as equivalent to those prescribed by EU law.
- The Company's counterparties to Repurchase Transactions or Reverse Repurchase Transactions will be regulated financial institutions headquartered in OECD countries which have, either directly or at parent level, a short term rating from at least two of the three main credit rating agencies equal or above to A-2 with Standard & Poor's and P-2 with Moody's and which comply with provisions of Article 3 of the SFTR.
- During the lifetime of a Repurchase Transaction, the Company may not sell the securities which are the object of the agreement either before the repurchase of the securities by the counterparty has been carried out or the repurchase period has expired.
- The Company must ensure to maintain the value of purchased securities subject to a repurchase obligation at a level such that it is able, at any time, to meet its obligations to redeem its own Shares.
- When the Company enters into Reverse Repurchase Transactions, it must ensure that it is able at any time to recall the full amount of cash or to terminate the Reverse Repurchase Transaction on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the Reverse Repurchase Transaction should be used for the calculation of the net asset value of the Company.
- When the Company enters into a Repurchase Transaction should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

### **Conflicts of interests**

At the time of this Prospectus, CACEIS Bank acts as lending agent of the Company. CACEIS Bank is the Depositary and Administration Agent of the Company. CACEIS Bank is not related to the Management Company.

The Management Company adopts and implements policies for the prevention of conflicts of interests (including in the context of Securities Lending, Repurchase Transaction and Reverse Repurchase Transaction activities to the extent relevant) in accordance with applicable rules and regulations.

The Securities Lending, Repurchase Transaction and Reverse Repurchase Transaction activities are not considered to entail an increased risk of conflicts of interest between the Management Company and the Compartment, between the Compartments or between the Compartment's shareholders.

### **3.6 Management of collateral for OTC Derivative transactions and efficient portfolio management techniques**

Where the Company enters into OTC Derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

- (a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of paragraph V above.
- (b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. The collateral will be marked to market daily and depending on the current market exposure and collateral balance, the collateral may be subject to variation margin movement when and if certain predetermined thresholds are crossed.
- (c) Issuer credit quality – collateral received should be of high quality.
- (d) Correlation – the collateral received by the Company must 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.
- (e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and OTC Derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

A Compartment may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong, provided that the Company receives securities from at least six different issues and that securities from any single issue should not account for more than 30% of the NAV. Should a Compartment be fully collateralized in securities issued or guaranteed by a Member State, the relevant Appendix should identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.

Cash collateral, if any, shall be in the currency of the securities subject to Securities Lending, Repurchase Transaction or Reverse Repurchase Transaction.

- (f) *Collateral maturity*: Given the high quality nature of the counterparties to the transactions no maturity constraints will apply to the collateral received. Collateral received from a counterparty must meet a range of standards listed in ESMA Guidelines 2014/937 including those for liquidity, valuation, issue, credit quality, correlation and diversification.
- (g) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (h) 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.

- (i) Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- (j) Non-cash collateral received should not be sold, re-invested or pledged.
- (k) Cash collateral received should only be:
  - (i) placed on deposit with entities prescribed in paragraph I. (1) (d) above;
  - (ii) invested in high-quality government bonds;
  - (iii) used for the purpose of Reverse Repurchase Transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
  - (iv) Invested in short-term money market funds.
- (l) Collateral received by way of transfer of title will be kept on a segregated account in the name of the Compartment at the Depository or the sub-custodian on behalf of the Depository in accordance with applicable laws and the Depository Agreement. For other types of collateral arrangements, 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.
- (m) Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Detailed information regarding the nature of eligible collateral to be received by each Compartment, as well as relevant applicable haircuts is provided in each relevant Appendix to the Prospectus.

#### Haircut

The following haircuts policy for collateral in OTC transactions and Securities Lending are applied by the Management Company. The Management Company reserves the right to vary this policy at any time and will update the Prospectus accordingly.

Type of financial guarantee received	Discount
Government bonds <sup>(1)</sup>	0-10%
Cash <sup>(2)</sup>	0%

<sup>(1)</sup> issued or guaranteed by OECD member states or their international public bodies, or by supranational institutions and organisations, of high quality.

<sup>(2)</sup> 100% of the collateral received in cash will be in the Reference Currency only.

### 3.7 Exercise of Voting Rights

The Company will exercise its voting rights in respect of instrument held by the Company in each Compartment in accordance with the voting policy of the Management Company.

#### **4. RISK-MANAGEMENT PROCESS**

The Management Company must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions in its portfolios and their contribution to the overall risk profile of its portfolios.

In accordance with the Law and the applicable regulations, in particular Circular CSSF 11/512, the Management Company uses for each Compartment a risk-management process which enables it to assess the exposure of each Compartment to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material to that Compartment. The Management Company may use the Value-at-Risk (VaR) or commitment approach to monitor and measure the global exposure as further specified for each Compartment, in the Appendix.

#### **5. RISK WARNINGS**

The following is a general description of a number of risks which may affect the value of Shares. See also the section of the relevant Appendix to the Prospectus (if any) for a discussion of additional risks particular to a specific issue of Shares. The description of the risks made below is not, nor is it intended to be, exhaustive. Not all risks listed necessarily apply to each issue of Shares, and there may be other considerations that should be taken into account in relation to a particular issue. What factors will be of relevance to a particular Compartment will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares and the Compartment's Investment Policy.

No investment should be made in the Shares until careful consideration of all these factors has been made.

##### **5.1 Introduction**

The value of investments and the income from them, and therefore the value of and income from Shares relating to a Compartment can go down as well as up and an investor may not get back the amount the investor invests. Due to the various commissions and fees which may be payable on the Shares, an investment in Shares should be viewed as medium to long term. Short or leveraged funds are associated with higher risks and may better be considered as short to medium term investments. An investment in a Compartment should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisers.

The legal, regulatory, tax and accounting treatment of the Shares can vary in different jurisdictions. Any descriptions of the Shares set out in the Prospectus, including any Appendix, are for general information purposes only. Investors should recognise that the Shares may decline in value and should be prepared to sustain a total loss of their investment. Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares.

##### **5.2 General risks**

*Valuation of the Shares:* the value of a Share will fluctuate as a result of changes in the value of, amongst other things, the Compartment's assets, the Underlying Asset and, where applicable, the financial derivative instruments used to expose the Compartment to the Underlying Asset synthetically.

*Valuation of the Underlying Asset and the Compartment's assets:* the Compartment's assets, the Underlying Asset or the financial derivative instruments used to expose the Compartment to the Underlying Asset synthetically may be complex and specialist in nature. Valuations for such assets or financial derivative instruments will usually only be available from a limited number of market

professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations.

*Exchange rates:* an investment in the Shares may directly or indirectly involve exchange rate risk. Because the net asset value of the Compartment will be calculated in its Reference Currency, the performance of an Underlying Asset or of its constituents denominated in a currency other than the Reference Currency will also depend on the exchange rate of such currency. Equally, the currency denomination of any Compartment asset in a currency other than the Reference Currency will involve exchange rate risk for the Compartment.

*Interest rates:* fluctuations in interest rates of the currency or currencies in which the Shares, the Compartment's assets and/or the Underlying Asset are denominated may affect financing costs and the real value of the Shares.

*Inflation:* the rate of inflation will affect the actual rate of return on the Shares. An Underlying Asset may reference the rate of inflation.

*Yield:* returns on Shares may not be directly comparable to the yields which could be earned if any investment were instead made in any Compartment's assets and/or Underlying Asset.

*Correlation:* the Shares may not correlate perfectly, nor highly, with movements in the value of Compartment's assets and/or the Underlying Asset.

*Volatility:* the value of the Shares may be affected by market volatility and/or the volatility of the Compartment's assets and/or the Underlying Asset.

*Credit Risk:* Credit risk involves the risk that an issuer of a bond (or similar money-market instruments) held by the Compartment may default on its obligations to pay interest and repay principal and the Compartment will not recover their investment.

*Counterparty Risk:* In entering into transactions which involve counterparties (such as OTC derivatives, Securities Lending or Reverse Repurchase Transactions), there is a risk that a counterparty will wholly or partially fail to honour its contractual obligations. In the event of a bankruptcy or insolvency of a counterparty, a Compartment could experience delays in liquidating the position and significant losses, including declines in the value of the investment during the period in which the Depositary seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. A Compartment may only be able to achieve limited or, in some circumstances, no, recovery in such circumstances.

In order to mitigate the risk of counterparty default, the counterparties to transactions may be required to provide collateral to cover their obligations to the Depositary. In the event of default by the counterparty, it would forfeit its collateral on the transaction. However, the taking of collateral does not always cover the exposure to the counterparty. If a transaction with a counterparty is not fully collateralised, then the Compartment's credit exposure to the counterparty in such circumstance will be higher than if that transaction had been fully collateralised. Furthermore, there are risks associated with collateral and investors should consider the information provided at paragraph "Collateral Risk" above.

Further information regarding counterparty risk in the context of OTC derivative transactions is set out in paragraph "Particular Risks of OTC Derivative Transactions" below.

*Liquidity risk:* certain types of securities may be difficult to buy or sell, particularly during adverse market conditions, which may affect their value. The fact that the Shares may be listed on a stock exchange is not an assurance of liquidity in the Shares.

*Repurchase and Reverse Repurchase Transactions Risk:* The use of Repurchase and Reverse Repurchase Transactions, if any, by certain Compartments involves certain risks. For example, if the seller of securities to the relevant Compartment under a Reverse Repurchase Transaction defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the said Compartment will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the ability of the relevant Compartment to dispose of the underlying securities may be restricted. Finally, if a seller defaults on its obligation to repurchase securities under a Reverse Repurchase Transaction, the Compartment may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

*Collateral Risk:* Although collateral may be taken to mitigate the risk of a counterparty default, there is a risk that the collateral taken, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate pricing of collateral, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Please also refer to paragraph "Liquidity Risk" below in respect of liquidity risk which may be particularly relevant where collateral takes the form of securities.

Where a Compartment is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral the Compartment places with the counterparty is higher than the cash or investments received by the Compartment.

In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Compartments may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

As a Compartment may reinvest cash collateral it receives under Securities Lending, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance the Compartment would be required to cover the shortfall.

As collateral will take the form of cash or certain financial instruments, the market risk is relevant. Collateral received by a Compartment may be held either by the Depository or by a third party custodian. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of a custodian or sub-custodian.

*Leverage:* the Compartment's assets, Underlying Asset and the derivative techniques used to expose the Compartment to the Underlying Assets may comprise elements of leverage (or borrowings) which may potentially magnify losses and may result in losses greater than the amount borrowed or invested by the Compartment.

*Political factors, emerging market and non-OECD member country assets:* the performance of the Shares and/or the possibility to purchase, sell, or repurchase the Shares may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements. Such risks can be heightened in investments in, or relating to, emerging markets or non-OECD member countries. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a heightened transaction and custody risk involved in dealing in such



markets. In certain circumstances, a Compartment may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets or non-OECD member countries, may not provide the same degree of investor information or protection as would generally apply to major markets.

*Share subscriptions and repurchases:* provisions relating to the subscription and repurchase of Shares grant the Company discretion to limit the amount of Shares available for subscription or repurchase on any Business Day and, in conjunction with such limitations, to defer or pro rata such subscription or repurchase. In addition, where requests for subscription or repurchase are received after the cut-off deadline, there will be a delay between the time of submission of the request and the actual date of subscription or repurchase. Such deferrals or delays may operate to decrease the number of Shares or the repurchase amount to be received.

*Listing:* there can be no certainty that a listing on any stock exchange applied for by the Company will be achieved and/or maintained or that the conditions of listing will not change. Further, trading in Shares on a stock exchange may be halted pursuant to that stock exchange's rules due to market conditions and investors may not be able to sell their Shares until trading resumes.

*Legal and regulatory:* the Company must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the investment restrictions, which might require a change in the investment policy and objectives followed by a Compartment. The Compartment's assets, the Underlying Asset and the derivative techniques used to expose the Compartment to the Underlying Assets may also be subject to change in laws or regulations and/or regulatory action which may affect the value of the Shares.

*Financial intermediary arrangements:* where an investor invests in Shares via the Principal Placement and Distribution Agent, its sub-distribution or private placement agents and/or a financial intermediary or holds interests in Shares through a clearing agent, such Shareholder will typically not appear on the register of Shareholders of the Company and may not therefore be able to exercise voting or other rights available to those persons appearing on the register.

*Use of derivatives:* as a Compartment whose performance is linked to an Underlying Asset will often invest in derivative instruments or securities which differ from the Underlying Asset, derivative techniques will be used to link the value of the Shares to the performance of the Underlying Asset. While the prudent use of such derivatives techniques can be beneficial, derivatives instruments also involve risks which, in certain cases, can be greater than the risks presented by more traditional investments. There may be transaction costs associated with the use of any such derivatives instruments.

*Legal Risk – OTC Derivatives, Reverse Repurchase Transactions, Securities Lending and Re-used Collateral:* There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a Compartment may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by English law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

*Reverse Repurchase Transactions:* In the event of the failure of the counterparty with which cash has been placed, there is the risk that the value of the collateral received may be less than the cash placed out which may be due to factors including inaccurate pricing of the collateral, adverse market

movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Locking cash in transactions of significant size or duration, delays in recovering cash placed out, or difficulty in realising collateral may restrict the ability of the Compartment to meet redemption requests or fund security purchases. As a Compartment may reinvest any cash collateral received from sellers, there is a risk that the value on return of the reinvested cash collateral may decline below the amount owed to those sellers.

*Securities Lending:* Securities Lending involves counterparty risk, including the risk that the loaned securities may not be returned or returned in a timely manner if the borrower defaults, and that the rights to the collateral are lost if the lending agent defaults. Should the borrower of securities fail to return securities lent by a Compartment, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent out, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. As a Compartment may reinvest the cash collateral received from borrowers, there is a risk that the value on return of the reinvested cash collateral may decline below the amount owed to those borrowers. Delays in the return of securities on loan may restrict the ability of the Compartment to meet delivery obligations under security sales or payment obligations arising from redemption requests.

*U.S. Foreign account Tax Compliance Requirements:* Although the Company will attempt secure the compliance of its counterparties with FATCA rules and avoid imposition of the 30% withholding tax on its US source income, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the value of Shares held by all Shareholders may be materially affected.

*Duplication of costs:* The Compartment incurs costs of its own management and administration comprising the fees paid to the Management Company, the Depositary, unless otherwise provided hereinafter and other service providers. It should be noted that, in addition, the Compartment incurs similar costs in its capacity as an investor in the funds in which a Compartment invests, which in turn pay similar fees to their manager and other service providers. It is endeavoured to reduce duplication of management charges by negotiating rebates where applicable in favour of the Company with such funds or their managers. Further, the investment strategies and techniques employed by certain funds may involve frequent changes in positions and a consequent portfolio turnover. This may result in brokerage commission expenses which exceed significantly those of the funds of comparable size. The funds may be required to pay performance fees to their manager. Under these arrangements the managers will benefit from the appreciation, including unrealised appreciation of the investments of such funds, but they are not similarly penalised for realised or unrealised losses. As a consequence, the direct and indirect costs borne by the Compartment are likely to represent a higher percentage of the net asset value per Share than would typically be the case with UCITS which invest directly in equity and bond markets (and not through other UCITS/UCI/funds).

### **5.3 Underlying Asset risks**

#### **(a) General**

*Underlying Asset calculation and substitution:* in certain circumstances described in the relevant Appendix, the Underlying Asset may cease to be calculated or published on the basis described or such basis may be altered or the Underlying Asset may be substituted. In certain circumstances such as the discontinuance in the calculation or publication of the Underlying Asset or suspension in the trading of any constituents of the Underlying Asset, it could result in the suspension of trading of the Shares or the requirement for market makers to provide two way prices on the relevant stock exchanges.

*Corporate actions:* securities comprising an Underlying Asset may be subject to change in the event of corporate actions in respect of those securities.

*Tracking error:* the following are some of the factors which may result in the value of the Shares varying from the value of the Underlying Asset: investments in assets other than the Underlying Asset may give rise to delays or additional costs and taxes compared to an investment in the Underlying Asset; investment or regulatory constraints may affect the Company but not the Underlying Asset; the fluctuation in value of a Compartment's assets; where applicable, any differences between the maturity date of the Shares and the Maturity Date of the relevant Compartment's assets; and the existence of a cash position held by a Compartment.

*No investigation or review of the Underlying Asset(s):* none of the Management Company or any of their delegates (if any) or affiliates has performed or will perform any investigation or review of the Underlying Asset on behalf of any prospective investor in the Shares. Any investigation or review made by or on behalf of the Company, the Management Company or any of their delegates (if any) or any of their affiliates is or shall be for their own proprietary investment purposes only.

**(b) Certain risks associated with particular Underlying Assets**

Certain risks associated with investment in particular Underlying Assets or any securities comprised therein are set out below.

*Shares:* the value of an investment in Shares will depend on a number of factors including, but not limited to, market and economic conditions, sector, geographical region and political events.

*Pooled investment vehicles:* alternative investment funds, mutual funds and similar investment vehicles operate through the pooling of investors' assets. Investments are then invested either directly into assets or are invested using a variety of hedging strategies and/or mathematical modelling techniques, alone or in combination, any of which may change over time. Such strategies and/or techniques can be speculative, may not be an effective hedge and may involve substantial risk of loss and limit the opportunity for gain. It may be difficult to obtain valuations of products where such strategies and/or techniques are used and the value of such products may depreciate at a greater rate than other investments. Pooled investment vehicles are often unregulated, make available only limited information about their operations, may incur extensive costs, commissions and brokerage charges, involve substantial fees for investors (which may include fees based on unrealised gains), have no minimum credit standards, employ high risk strategies such as short selling and high levels of leverage and may post collateral in unsegregated third party accounts.

*Indices:* the compilation and calculation of an index or portfolio will generally be rules based, account for fees and include discretions exercisable by the index provider or investment manager. Methodologies used for certain proprietary indices are designed to ensure that the level of the index reaches a pre-determined level at a specified time. However, this mechanism may have the effect of limiting any gains above that level. Continuous protection or lock-in features designed to provide protection in a falling market may also result in a lower overall performance in a rising market.

*Convertible Securities:* Convertible securities and exchangeable bonds are stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest

rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Company is called for redemption, the Company will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Company's ability to achieve its investment objective.

*CoCo Bonds:* Some convertible securities are issued as so-called contingent convertible bonds (or “coco bonds”), where the conversion of the bond into equity occurs at stated conversion rate if a pre-specified trigger event occurs. As such, issuers of such bonds may tend to be those that are vulnerable to weakness in the financial markets. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the bond was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss.

The investments in contingent convertible bonds may also entail the following risks (non-exhaustive list):

- **Coupon cancellation:** for some coco bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.
- **Yield:** investors have been drawn to the instruments as a result of the coco bond's often attractive yield which may be viewed as a complexity premium.
- **Valuation and Write-down risks:** the value of coco bonds may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a Compartment may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.
- **Call extension risk:** some coco bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.
- **Capital structure inversion risk:** contrary to classical capital hierarchy, coco bonds' investors may suffer a loss of capital when equity holders do not.
- **Conversion risk:** it might be difficult for the Management Company to assess how the securities will behave upon conversion. In case of conversion into equity, the Management Company might be forced to sell these new equity shares since the investment policy of the relevant Compartment does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

- Unknown risk: the structure of coco bonds is innovative yet untested.
- Industry concentration risk: investment in coco bonds may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.
- Trigger level risk: trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Management Company to anticipate the triggering events that would require the debt to convert into equity.
- Liquidity risk: in certain circumstances finding a ready buyer for coco bonds may be difficult and the seller may have to accept a significant discount to the expected value of the coco bonds in order to sell it.

*Real estate:* the risks associated with an indirect investment in real estate include, but are not limited to: the cyclical nature of real estate values, changes in environmental, planning, landlord and tenant, tax or other laws or regulations affecting real property, demographic trends, variations in rental income and increases in interest rates.

*Commodities:* prices of commodities are influenced by, among other things, various micro and macroeconomic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other events.

*Structured finance securities:* structured finance securities include, without limitation, asset-backed securities, mortgage-backed securities and credit-linked securities, which may entail a higher liquidity risk than exposure to sovereign or corporate bonds. Certain specified events and/or the performance of assets referenced by such securities, may affect the value of, or amounts paid on, such securities (which may in each case be zero).

*Feeder-Master Structure:* Using a “master-feeder” fund structure, in particular the existence of multiple feeder funds investing in the master fund such as a Master UCITS, presents certain risks to the investors. Smaller feeder funds may be materially affected by the actions of larger feeder funds. For example, it is expected that the feeder fund may initially, and perhaps for the life of the Master UCITS, hold a larger portion of the net asset value of the outstanding interests of the Master UCITS. Consequently, if such feeder fund were to redeem from the Master UCITS, the remaining feeder funds, including the Feeder UCITS, may experience higher pro rata operating expenses, thereby producing lower returns, and the Master UCITS may become less diverse due to redemption by a larger feeder fund, resulting in increased portfolio risk.

*Emerging Markets:* Underlying investments in emerging markets involve additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for the Reference Currency; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in

the unavailability of material information about issuers; (xi) less extensive regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of the Compartment's financial instruments with brokers and securities depositories. Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. A Compartment may be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by the Company or gains from the disposition of such financial instruments.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. The Compartments may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in local courts.

Investments in securities of issuers in emerging markets may be subject to greater risks than investments in securities of issuers from member states of the OECD due to a variety of factors including currency controls and currency exchange rates fluctuations, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations, expropriation, confiscatory taxation and potential difficulties in enforcing contractual obligations. There may be less publicly available information about issuers in certain countries and such issuers may not be subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those of most OECD issuers. In certain countries, securities of local issuers are less liquid and more volatile than securities of comparable issuers of more mature economies and subject to lower levels of government supervision than those on the OECD. The investments in such markets may be considered speculative and subject to significant custody and clearance risks and delay in settlement.

*Hedged Classes:* there is no guarantee that the currency exposure of securities denominated in a currency other than the currency in which the Shares are denominated can be fully hedged against the Reference Currency of the Class.

*Others:* Underlying Asset(s) may include other assets which involve substantial financial risk such as distressed debt, low quality credit securities, forward contracts and deposits with commodity trading advisors (in connection with their activities).

*Investment in distressed securities* (i.e. distressed securities means securities issued by an issuer that is currently subject to a restructuring or bankruptcy proceeding) may cause additional risks for a Compartment. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities

and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. Therefore, a Compartment may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the Compartment. Under such circumstances, the returns generated from the Compartment's investments may not compensate the shareholders adequately for the risks assumed.

*Underwriting or Sub-Underwriting:* A Compartment may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting. There is a risk for the Company to incur a loss if the market price of the stocks of the sub-underwriting participation falls below the price fixed in advance at which the Company committed to buy them.

#### **5.4 Sustainability Risks**

The sections below apply to all Compartments.

##### **Sustainability Risks**

The Compartments promote environmental or social characteristics but do not have sustainable investment as their objective and do not make any minimum commitment to invest in one or more taxonomy-aligned environmentally sustainable investments contributing to climate change mitigation and/or climate change adaptation objectives within the meaning of Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the “**Taxonomy Regulation**”).

The “do no significant harm” principle does not apply as the Compartments do not make any commitment to invest in assets that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying these Compartments do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

The Management Company has identified climate change and the transition to a carbon free economy as one of the key challenges facing its investee companies and society more broadly. Through its investment activity, the Compartments seek to promote the transition away from carbon, particularly in the power generation sector. To this end, the Management Company currently excludes investment in greenfield or brownfield thermal coal mines, coal plants, and related infrastructure.

The Management Company has also implemented a targeted and specific policy regarding near term investment in companies reliant on coal. The aim of this policy is to encourage decarbonisation, considering that a total exclusion would not necessarily be the most constructive or effective approach to achieving a transition away from coal, electing instead to engage with companies to encourage a shift away from coal from within. To complement this policy, the Management Company has set a target date of 2030 for introduction of a total exclusion from coal related investments.

Further cementing its commitment, the Management Company has become a public supporter of the Paris Agreement and a signatory to the Task Force on Climate-related Financial Disclosures (TCFD).

The Management Company's approach to environmental, social and governance (“**ESG**”) and sustainability risks is set out in its ESG and Responsible Investment Policy which is available from the Management Company's website: [www.boussard-gavaudan.com](http://www.boussard-gavaudan.com)

A summary of the contents is provided below and applies to all Compartments of the Company. The Management Company also identifies, manages and monitors Sustainability Risks (as defined below) as part of its risk management process.

The Compartments will take due account of ESG factors in their investment decisions. In particular, the Compartments will consider a range of environmental and social characteristics when making or monitoring investment decisions. The Compartments do not follow a best-in-class selection approach which would systematically exclude companies with potential ESG issues. Instead, the Compartments follow an ESG integration approach, which refers to the systematic and explicit inclusion of ESG risks and opportunities in investment analysis

### **Integration**

As set out in the EU Sustainable Finance Disclosure Regulation (“**SFDR**”), “sustainable risk” means an ESG event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment. The Management Company seeks to integrate sustainability risks (“**Sustainability Risks**”) and ESG considerations into its investment decisions where Sustainable Risks are relevant to the proposed investment. Sustainability Risks are considered throughout the investment process, ranging from the Management Company’s initial group review of new prospective products, to idea generation and risk management.

Within the Management Company’s fundamental strategies, certain sectors and companies have increased exposure to environmental and social risk and the Management Company’s analysts factor these considerations into their analysis and investment proposals. ESG considerations are not normally the primary driver of an investment decision, however they often serve as a catalyst for further investment research, investigation and discussion.

The Management Company has contracted a specialised ESG provider which produces research to complement the efforts of the Management Company’s analysts. Each individual analyst employed by the Management Company is responsible for integrating ESG considerations when analysing an investee company for approval of their proposed investment by the Management Company’s investment committee (“**Investment Committee**”). When ESG factors have a material impact on the investment thesis, positively or negatively, the Investment Committee records its conclusion in the Management Company’s portfolio management system.

At the portfolio level, the Management Company calculates the net exposures to a variety of ESG metrics to ensure that portfolios are not overly exposed to Sustainability risks. These metrics are made available to both the Management Company’s risk Committee and the Management Company’s ESG committee so that both viewpoints are considered.

### **Impact of Sustainability Risks on Returns Assessment**

The Management Company believes the Integration of ESG considerations into the Compartments’ investment processes will allow for better management of the Compartments’ exposure to Sustainability Risks. The Compartments aim to carry minimal Sustainability Risks. The inclusion of Sustainability Risks in the investment process should result in lower financial risk for the Compartments.

The Management Company does not expect such ESG integration to have a negative effect on returns, as the core objectives of the Compartments are not altered by ESG objectives such as best-in-class or impact-only-investing.

On occasions certain investments that may be made by the Compartments may be negatively impacted by Sustainability Risks.



Sustainability Risks may impair the value of the investments made by the Compartments, including the loss of the entire amount invested. Sustainability Risks may arise and impact a specific investment made by a Compartment or may have broader impact on an economic sector, geographical regions or countries, which, in turn impact the Compartments' investments.

Finally, the Management Company believes the increasing importance of ESG considerations in financial markets creates new opportunities for catalyst driven investment, which is a core feature of Management Company's investment strategy. For example, if an investee company facing Sustainability Risks is addressing these issues, the improvement in its ESG profile will lead to a re-rating of its stock price.

At the date of this Prospectus, the Management Company does not currently consider the adverse impacts of investment decisions on sustainability factors due to the significant volume of trading conducted, and the diverse strategies implemented by the Management Company, making it impractical to perform the required level of analysis for each individual investment during the due diligence stage. None of the Compartments considers principal adverse impacts on sustainability factors. The situation may however be reviewed going forward.

For each Compartment that has environmental and/or social characteristics (within the meaning of Article 8 SFDR) information about such characteristics is available in the pre-contractual disclosures in "APPENDIX – PRE-CONTRACTUAL DISCLOSURE FOR FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852 (1) OF REGULATION (EU) 2019/2088" of this Prospectus.

### **Risks Associated with ESG Data Providers**

A Compartment may use exclusion lists in order to prevent investment in issuers which are not aligned with the ESG characteristics of the Compartment. These exclusion lists are populated using data from third-party ESG data providers. The successful promotion of a Compartment's ESG characteristics therefore depends significantly on the ESG factors considered and research methodologies employed by its third-party ESG data providers. The methodologies and criteria used by the third-party ESG data providers are continuously evolving and subject to ongoing refinement. The Management Company does not undertake to, and does not, independently test or verify the factors used or data provided by such third-party data providers.

It is possible that a Compartment may invest in securities of companies that are later determined to be inconsistent with the ESG characteristics promoted by the Compartment either because relevant information about that company was not known or was inaccurate at the time of investment or because the third-party ESG data and research firm now considers additional information that causes the company to no longer meet the investment criteria.

### **5.5 Other risks**

*Potential conflicts of interest:* The Management Company, its delegates (if any), the sales agents, the Administration Agent, and the Depositary may from time to time act as management company, investment manager or adviser, sales agent, administration agent, registrar or custodian in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of any Compartment.

The Management Company and its delegates (if any) will enter into all transactions on an arm's length basis. The directors of the Management Company, its delegates (if any) and any affiliate thereof,

members, and staff may engage in various business activities other than their business, including providing consulting and other services (including, without limitation, serving as director) to a variety of partnerships, corporations and other entities, not excluding those in which the Company invests.

In the due course of their business, the above persons and entities may have potential conflicts of interest with the Company or Compartment.

Any kind of conflict of interest is to be fully disclosed to the Board of Directors.

In such event, each person and entities will at all times endeavour to comply with its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Compartment.

The directors of the Management Company, the directors of its delegates (if any) and their members will devote the time and effort necessary and appropriate to the business of the Company.

Although it is aimed to avoid such conflicts of interest, the Management Company, its delegates (if any) and their members will attempt to resolve all nonetheless arising conflicts in a manner that is deemed equitable to all parties under the given circumstances so as to serve the best interests of the Company and its Shareholders.

*Allocation of shortfalls among Classes of a Compartment:* the right of holders of any Class of Shares to participate in the assets of the Company is limited to the assets (if any) of the relevant Compartment and all the assets comprising a Compartment will be available to meet all of the liabilities of the Compartment, regardless of the different amounts stated to be payable on the separate Classes (as set out in the relevant Appendix). For example, if on a winding-up of the Company, the amounts received by the Company under the relevant Compartment's assets (after payment of all fees, expenses and other liabilities which are to be borne by the relevant Compartment) are insufficient to pay the full redemption amount payable in respect of all Classes of Shares of the relevant Compartment, each Class of Shares of the Compartment will rank *pari passu* with each other Class of Shares of the relevant Compartment and the proceeds of the relevant Compartment will be distributed equally amongst the Shareholders of that Compartment pro rata to the amount paid up on the Shares held by each Shareholder. The relevant Shareholders will have no further right of payment in respect of their Shares or any claim against any other Compartment or any other assets of the Company. This may mean that the overall return (taking account of any dividends already paid) to Shareholders who hold Shares paying dividends quarterly or more frequently may be higher than the overall return to Shareholders who hold Shares paying dividends annually and that the overall return to Shareholders who hold Shares paying dividends may be higher than the overall return to Shareholders who hold Shares paying no dividends. In practice, cross liability between Classes is only likely to arise where the aggregate amounts payable in respect of any Class exceed the assets of the Compartment notionally allocated to that Class, that is, those amounts (if any) received by the Company under the relevant Compartment's assets (after payment of all fees, expenses and other liabilities which are to be borne by such Compartment) that are intended to Company payments in respect of such Class or are otherwise attributable to that Class. In these circumstances, the remaining assets of the Compartment notionally allocated to any other Class of the same Compartment may be available to meet such payments and may accordingly not be available to meet any amounts that otherwise would have been payable on such other Class.

*Segregated liability between Compartments:* while the provisions of the Law provide for segregated liability between Compartments, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any

Compartment may be exposed to the liabilities of other Compartments. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Compartment.

*Consequences of winding-up proceedings:* If the Company fails for any reason to meet its obligations or liabilities, or is unable to pay its debts, a creditor may be entitled to make an application for the winding-up of the Company. The commencement of such proceedings may entitle creditors (including the Swap Counterparty) to terminate contracts with the Company and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Company being dissolved at a time and its assets (including the assets of all Compartments) being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the Company's liabilities, before any surplus is distributed to the Shareholders of the Company. In the event of proceedings being commenced, the Company may not be able to pay the full amounts anticipated by the relevant Appendix in respect of any Class or Compartments.

*GDPR:* The GDPR will have direct effect in all Member States from 25 May 2018 and will replace current EU data privacy laws. Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Company. Further, there is a risk that due to changes in interpretation or guidance which emerge with respect to the GDPR over time, the Company or its services providers will be required to implement measures in a different manner to how they are currently being implemented. If there are breaches of these measures by the Company or any of its service providers, the Company or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Company suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

*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 Compartment'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 Compartments from executing advantageous investment decisions in a timely manner and could

negatively impact the Compartments' 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 Compartment.

## 6. ISSUE, REDEMPTION AND CONVERSION OF SHARES

As further described in each relevant Appendix, the Company may create within each Compartment different classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Compartment.

A distinct fee structure, currency of denomination, dividend policy minimum holding amount, eligibility requirements or other specific feature may apply. The Company may notably issue Shares reserved to retail investors and Shares reserved to institutional investors.

At the time of this Prospectus, only Classes of Shares Z, I, S, R, R1, P and P1 are in issue. If the Board of Directors decides to create new Classes of Shares, the Prospectus will be updated accordingly.

These Classes of Shares may be available in a currency (the "**Class Currency**") other than the Reference Currency. The designation of Classes of Shares will specify the currency in which the Classes of Shares are offered.

The Company may also issue currency hedged Classes of Shares. Currency hedged Classes of Shares are Classes of Shares with respect to which the Management Company will seek to eliminate the currency exposure of the Class of Share to the Reference Currency of the relevant Compartment ("**Hedged Classes of Shares**"). The cost and resultant profit or loss of such currency hedging shall be allocated to that Hedged Class of Shares only. Currently, all available Classes of Shares issued in Class Currency are hedged against the Reference Currency.

Whilst holding Hedged Classes of Shares may substantially protect the investor against losses due to unfavourable movements in the exchange rates of the Reference Currency of the Compartment against the currency of the Class of Shares, 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 of Shares against currency fluctuations of the Reference Currency of the Compartment. The aim will be to implement a currency hedge equivalent to a hedged portion of the net asset value of the Hedged Class against currency risk as close as possible to 100%. Changes in the value of the portfolio or the volume of subscriptions and redemptions may however lead to the level of currency hedging temporarily deviating from 100% and being adjusted without undue delay. The net asset value per Share of the Hedged Classes of Shares does not necessarily develop in the same way as that of the Classes of Shares in the Reference Currency of the Compartment.

Investors should note that there is no segregation of liabilities between the Classes of Shares within a Compartment. Hence, there is a risk that under certain circumstances, hedging transactions in relation to any Hedged Class of Shares could result in liabilities affecting the net asset value of any other Classes of Shares of the same Compartment. In such case assets of any such other Classes of Shares of such Compartment may be used to cover the liabilities incurred by the relevant Hedged Class of Shares.

Classes of Shares may be available as capitalisation type, which will not have any suffix, and distributing type which will have the suffix "(Dist)". Their respective distribution policy is described below under "Distribution Policy".

The range of available Classes and their features are described in the relevant Appendix at the date on which the Prospectus is provided. The Directors of the Company may at any time decide to issue within any Compartment additional Classes as above described and denominated in one of these Class

Currencies. A complete list of all available Classes of Shares may be obtained, free of charge and upon request, from the registered office of the Company in Luxembourg.

### **6.1 Subscription, Redemption and Conversion Requests**

Unless otherwise provided for a specific Compartment in the relevant Appendix, requests for subscription, redemption and conversion of Shares should be sent to one of the sub-distribution and private placement agents or to the Company at its registered address in Luxembourg. Requests may also be accepted by facsimile transmission or at the discretion of the Company by other means of telecommunication. An application form can be obtained from the Company.

Unless otherwise specified in the Appendix to the Prospectus for any Compartment, requests for subscriptions, redemptions and conversions from or to any Compartment will be dealt with on the Valuation Day on which they are received, provided they are received prior to 10:00 a.m. Luxembourg time on that Valuation Day.

Requests received after such time will be accepted on the next Valuation Day. As a result, requests for the subscription, redemption and conversion of Shares shall be dealt with on an unknown net asset value basis before the determination of the net asset value for that day.

The Company does not permit market timing (as set out in CSSF circular 04/146) or related excessive, short-term trading practices.

The Company has the right to reject any request for the subscription or conversion of Shares from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it may deem appropriate or necessary.

Subscription, redemption and conversion of Shares of a given Compartment shall be suspended whenever the determination of the net asset value per Share of such Compartment is suspended by the Company.

The Company may enter into an agreement with the distribution agent giving the distribution agent the power to sub delegate the distribution pursuant to which they agree to act as or appoint financial intermediaries for investors subscribing for Shares through their facilities. In such capacity the distributor or sales agent may effect subscriptions, conversion and redemptions of Shares in the financial intermediary's name on behalf of individual investors and request the registration of such transactions on the register of Shareholders of the Company in the financial intermediary's name.

The appointed financial intermediary maintains its own records and provides the investor with individualised information as to its holdings of Shares in the Company. Except where local law or custom prohibits the practice, investors may invest directly in the Company and not avail themselves of a financial intermediary service.

Unless otherwise provided by local law, any Shareholder holding Shares in a financial intermediary account with a distributor has the right to claim, at any time, direct title to such Shares.

### **6.2 Deferral of Redemptions and Conversion**

If the total requests for redemption and conversion out of a Compartment on any Valuation Day exceed 10% of the total value of Shares in issue of that Compartment, the Company may decide that redemption and conversion requests in excess of 10% shall be deferred until the next Valuation Day. On the next Valuation Day, or Valuation Days until completion of the original requests, deferred requests will be dealt with in priority to later requests.

### **6.3 Settlements**

If, on the settlement day as determined in the Appendix, banks are not open for business, or an interbank settlement system is not operational, in the country of the currency of the relevant Class, then settlement will be on the next Business Day on which those banks and settlement systems are open.

Confirmation of completed subscriptions, redemptions and conversions will normally be dispatched on the Business Day following the execution of the transaction.

Redemption proceeds will be paid on receipt of faxed instructions where such payment is made into the account specified by the Shareholder in the original application form submitted, subject to completion of appropriate anti-money laundering checks. However, any amendments to the Shareholder's registration details and payment instructions can only be effected upon receipt of original documentation.

### **6.4 Minimum Subscription and Holding Amounts and Eligibility for Shares**

A minimum initial and subsequent subscription amount and minimum holding amounts for each Class may be set forth, as further detailed in the Appendix to the Prospectus. The Company has the discretion, from time to time, to waive or reduce any applicable minimum subscription amounts.

The right to transfer, redeem or convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts and eligibility requirements) applicable to the Class from which the redemption or conversion is being made, and also the Class into which the conversion is to be effected.

The Board of Directors may also, at any time, decide to compulsorily redeem all Shares from Shareholders whose holding is less than the minimum holding amount specified in the Appendix to the Prospectus or who fail to satisfy any other applicable eligibility requirements set out above. In such case the Shareholder concerned will receive one month's prior notice so as to be able to increase its holding above such amount or otherwise satisfy the eligibility requirements.

If a redemption or conversion request would result in the amount remaining invested by a Shareholder falling below the minimum holding amount of that Class, such request will be treated as a request to redeem or convert, as appropriate, the Shareholder's total holding in that Class. If the request is to transfer Shares, then that request may be refused by the Company.

Shareholders are required to notify the Company immediately in the event that they are or become US Persons or hold Shares for the account or benefit of US Persons or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders or otherwise be detrimental to the interests of the Company. If the Company becomes aware that a Shareholder is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders or would otherwise be detrimental to the interests of the Company or that the Shareholder has become or is a US Person, the Company may, in its sole discretion, redeem the Shares of the Shareholder in accordance with the provisions of the Articles. For the purpose of the above, "US Person" shall have the meaning given in Regulation S under the U.S. Securities Act of 1933, as amended, and shall mean any national, citizen or resident of the United States of America or of any of its territories or possessions or areas subject to its jurisdiction or any person who is normally resident therein (including the estate of any such person or corporations or partnerships created or organised therein).

## 6.5 Issue of Shares

Subscriptions for Shares can be made as of any day that is a Valuation Day for the relevant Compartment. Shares will be allotted at the subscription price of the relevant Class i.e. the net asset value per Share of such Class determined on the applicable Valuation Day on which the request has been accepted plus the applicable sales commission, if any. Any subscription request shall be irrevocable.

If any subscription charge is applied in relation to any particular Compartment, it will be disclosed in the relevant Appendix to the Prospectus. The Company is entitled to receive the subscription charge (if any).

Failure to make good settlement by the settlement day, as determined in the Appendix, may result in the Company bringing an action against the defaulting investor or its financial intermediary or deducting any costs or losses incurred by the Company against any existing holding of the applicant in the Company. In all cases any money returnable to the investor will be held by the Company without payment of interest pending receipt of the remittance.

Payment for Shares must be received by the Company in the reference currency of the relevant Class. Requests for subscriptions in any other major freely convertible currency will only be accepted if so determined by the Company.

Investors are advised to refer to the terms and conditions applicable to subscriptions, which may be obtained by contacting the Company.

The Company reserves the right to accept or refuse any subscription in whole or in part and for any reason. The Company may also limit the distribution of a given Class or Compartment to specific countries. The Company may also restrict the distribution of the Company's Shares by distributors or agents who have not been approved. The Company may also restrict or prevent the ownership of Shares by any person, firm or corporation, if such ownership may be against the interests of the Company or of the majority of Shareholders or of any Compartment or Class therein.

Where it appears that a person who should be precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Company may compulsorily redeem all Shares so owned in accordance with the provisions of the Articles.

The Company may, in its absolute 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 of the qualification of the investor as an institutional investor. In addition, a Compartment or Class may be closed to new investors or to all new subscriptions or switches in (but not to redemptions, switches out or transfers) if, in the opinion of the Management Company, closing is necessary to protect the interests of existing Shareholders. Without limiting the circumstances where closing may be appropriate, one such circumstance would be where the Compartment has reached a size such that the capacity of the market and/or the capacity of the Management Company has been reached, and where to permit further inflows would be detrimental to the performance of the Compartment. Any Compartment or Class may be closed to new investors or all new subscriptions or switches in without notice to Shareholders.

Notwithstanding the above, the Management Company may allow, at its discretion, the continuation of subscriptions from some shareholders such as regular savings schemes on the basis that the contemplated flows present no challenge with respect to capacity. Once closed, a Compartment or a Class will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail. Shareholders and potential investors should confirm with the

Company, the Management Company or the distributors or check the website for the current status of or Classes.

## **6.6 Anti-Money Laundering Procedures**

Pursuant to the AML Regulations, obligations have been imposed inter alia on UCI as well as on professionals of the financial sector to prevent the use of UCI for money laundering and terrorist financing purposes. Within this context a procedure for the identification of potential investors and Shareholders has been imposed. Namely, the requests for subscription must be accompanied, in the case of individuals, by a certified copy of the investor's passport or identification card and, in the case of legal entities, by a certified copy of the investor's articles of incorporation and, where applicable, an extract from the commercial register or a copy of such other documents as may be requested as verification of the identity and address of the individual or legal entity.

This identification procedure must be complied with by CACEIS Bank, Luxembourg Branch, acting as registrar and transfer agent (or the relevant competent agent of registrar and transfer agent) in the case of direct subscriptions to the Company, and in the case of subscriptions received by the Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under AML Regulations.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in the event of redemption, payment of redemption proceeds delayed. Neither the Company nor the Management Company, nor the registrar and transfer agent will be held responsible for said delay or for failure to process deals resulting from not providing documentation or providing incomplete documentation.

CACEIS Bank, Luxembourg Branch, acting as registrar and transfer agent may request any such additional documents, as it deems necessary to establish the identity of the investors or beneficial owners. Any information provided to the Company in this context is collected for anti-money laundering compliance purposes only.

## **6.7 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 Company, to obtain and hold information on their beneficial owners (“**Beneficial Owners**”) at their registered office. The Company 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 Company, as any natural person(s) who ultimately owns or controls the Company through direct or indirect ownership of a sufficient percentage of the Shares or voting rights or ownership interest in the Company, 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 Company 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 Company 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 Company, this investor is obliged by law to inform the Company in due course and to provide the required supporting documentation and information which is necessary for the Company to fulfil its obligation under the RBO Law. Failure by the Company 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 Company for clarification.

## **6.8 Redemption of Shares**

Requests for the redemption of Shares can be made as of any day that is a Valuation Day for the relevant Compartment. Redemptions will be carried out at the redemption price of the relevant Class i.e. the net asset value per Share of such Class determined on the applicable Valuation Day on which the request has been accepted less the applicable redemption commission, if any. Any redemption request shall be irrevocable.

The Company may carry out any authentication procedures that it considers appropriate relating to a redemption request. This aims to mitigate the risk of error and fraud for the Company, its agents or Shareholders. Where it has not been possible to complete any authentication procedures to its satisfaction, the Company may delay the processing of payment instructions until authentication procedures have been satisfied.

This will not affect the Valuation Day on which the redemption request is accepted and the redemption to be applied. The Company shall not be held responsible to the Shareholder or anyone if it delays execution or declines to execute redemption instructions in these circumstances.

Redemption payments will normally be paid in the Reference Currency of the Class by bank transfer within 2 Business Days of the relevant Valuation Day. The Company shall not be held responsible for any delays or charges incurred at any receiving bank or settlement system. A Shareholder may request, at its own cost and subject to agreement by the Company that their redemption proceeds be paid in a currency other than the Reference Currency of the relevant Class.

If, in exceptional circumstances, redemption proceeds cannot be paid within the period specified above, payment will be made as soon as reasonably practicable thereafter (not exceeding, however, 10 Business Days) at the redemption price calculated on the relevant Valuation Day, it being understood that the Board of Directors will always ensure the overall liquidity of the Company.

If any redemption charge is applied in relation to any particular Compartment, it will be disclosed in the relevant Appendix to the Prospectus. The Company is entitled to receive the redemption charge (if any).

Shares redeemed by the Company become null and void.

## **6.9 Conversion of Shares**

Subject to any provision under this Prospectus and its Appendix, Shareholders have the right to convert all or part of their Shares of any Class of a Compartment into Shares of another Class of that or another Compartment, by applying for conversion in the same manner as for the subscription and redemption of Shares. Conversions within the Company are permitted provided that the Shareholder satisfies the eligibility requirements and minimum holding amounts set out in the Appendix to the Prospectus and such other conditions applicable to the contemplated Classes.

Procedure for conversion within the Company

Conversion may be requested as of a common Valuation Day for the original Class and the contemplated Class. The number of Shares issued upon conversion will be based upon the redemption price of the original Class and the net asset value of the contemplated Class, plus a conversion charge (if any), as disclosed in the relevant Appendix to the Prospectus. The Company is entitled to any charges arising from conversions and any rounding adjustment. Any conversion request shall be irrevocable.

#### **6.10 Transfer of Shares**

Subject to the restrictions described herein, Shares are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to the relevant Class.

The transfer of Shares may normally be carried out by delivery to the relevant distributor, sales agent or the Company of an instrument of transfer in appropriate form. On the receipt of the transfer request, and after reviewing the endorsement(s), signature(s) may be required to be certified by an approved bank, stock broker or public notary.

The right to transfer Shares is subject to the minimum investment and holding requirements as detailed above and in the Appendix.

Shareholders are advised to contact the relevant distributor, sales agent or the Company prior to requesting a transfer to ensure that they have the correct documentation for the transaction.

### **7. DISTRIBUTION POLICY**

The general policy regarding the appropriation of net income and capital gains is as follows:

In Classes for which income is accumulated, no dividends are paid to Shareholders. In Classes for which income is distributed, dividends are paid to Shareholders following a decision of the general meeting of the Shareholders. The Board of Directors may also decide to distribute interim dividends. Dividend payments shall be made either in the form of cash in the relevant currency or in the form of reinvestment by the purchase of Shares of the same Class. In such circumstances, the distributing shares will be referenced by adding a “Dist” to the name of the Class of Shares (reading for example: Class Z (Dist) shares or Class R1 (Dist) shares).

Shareholders shall, upon proposal from the Directors and within the limits provided by Luxembourg law, determine how the results of the Company shall be disposed of and other distributions shall be effected and may from time to time declare, or authorise the Directors to declare distributions to holders of distribution Shares. Distributions may be made out of investment income, capital gains or capital. The Board of Directors may in particular decide that annual payments of net income will be made on certain distribution Shares.

Dividend payments are restricted by law in that they may not reduce the assets of the Company below the required minimum capital.

Dividends unclaimed after five years from the date of declaration will lapse and revert to the Company in the relevant Compartment.

### **8. MANAGEMENT AND ADMINISTRATION**

The Directors of the Company and the Management Company are responsible for its management and supervision including the determination of investment policies.

## **8.1 Management Company**

The Management Company shall at all time act in the best interests of the Shareholders and according to the provisions set forth by the Law, the Prospectus and the Articles.

In fulfilling its responsibilities set forth by the Law and the management company services agreement, the Management Company is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the Company and the CSSF. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company shall also ensure compliance of the Company with the investment restrictions and oversee the implementation of the investment policy of each Compartment.

The Management Company will receive periodic reports from the Company's service providers in relation to the services which they provide. The Management Company shall also submit its own report to the Board of Directors on a periodic basis and inform the Board of Directors without delay of any non-compliance of the Company with the investment restrictions.

The Management Company may act as the management company of other open-ended collective investment schemes. The names of these other collective investment schemes are available upon request.

For its services as Management Company, the Management Company shall receive remuneration as further described in the relevant Appendix to the Prospectus.

### **(a) Conflicts of Interest**

For the purpose of identifying the types of conflict of interest that arise in the course of providing services and activities and whose existence may damage the interest of the Company, the Management Company will take into account, by way of minimum criteria, the question of whether the Management Company or a relevant person, or a person directly or indirectly linked by way of control to the Management Company, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise:

- (1) the Management Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Company;
- (2) the Management Company or that person has an interest in the outcome of a service or an activity provided to the Company or another client or of a transaction carried out on behalf of the Company or another client or, which is distinct from the Company interest in that outcome;
- (3) the Management Company or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Company;
- (4) the Management Company or that person carries on the same activities for the Company and for another client or clients which are not UCITS; and
- (5) the Management Company or that person receives or will receive from a person other than the Company an inducement in relation to collective portfolio management activities provided to the Company, in the form of monies, goods or services, other than the standard commission or fee for that service.

When identifying any potential types of conflict of interests, the Management Company will take into account

- (1) the interests of the Management Company, including those deriving from its belonging to a group or from the performance of services and activities, the interests of the clients and the duty of the Management Company towards the Company as well as
- (2) the interests of two or more managed UCITS.

The summary description of the strategies referred to in that paragraph will be made available to the investors on <http://www.boussard-gavaudan.com/>.

(b) **Best Execution**

The Management Company will act in the best interests of the Company when executing decision to deal on behalf of the Company in the context of the management of the Compartment. For that purpose the Management Company will take all reasonable steps to obtain the best possible results for the Company, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution).

The relative importance of such factors will be determined by reference to the following criteria:

- (a) the objectives, investment policy and risks specific to the Company,
- (b) the characteristics of the order.

## 8.2 Administration Agent

With the Company's consent, the Management Company has concluded an agreement (the "**Services Agreement**") appointing CACEIS Bank, Luxembourg Branch as Administration Agent.

This agreement has been concluded for an indefinite duration and may be terminated by either party in writing with three months' notice as of the end of a calendar month.

In its capacity as UCI administrator, CACEIS Bank, Luxembourg Branch is in charge of the registrar function, the net asset value calculation and accounting function, and the client communication function. In addition, it shall notably perform management of accounts, the preparation of the annual and semi-annual financial statements and execute all tasks required as central administration.

More specifically, in its capacity as the transfer and registration agent, CACEIS Bank, Luxembourg Branch shall in particular execute subscription, redemption and conversion applications and keep and maintain the register of Shareholders of the Company. In such capacity it is also responsible for supervising anti-money laundering measures under the AML Regulations. CACEIS Bank, Luxembourg Branch may request documents necessary for identification of investors.

For its services under the administrative agency, registrar and transfer agreements CACEIS Bank, Luxembourg Branch shall receive remuneration as further described in the relevant Appendix to the Prospectus.

## 8.3 Depositary

Pursuant to a depositary agreement (the "**Depositary Agreement**") entered into by the Company and CACEIS Bank, Luxembourg Branch, the latter has been appointed depositary bank of the Company (the "**Depositary Bank**").

CACEIS Bank France is a public limited liability company (*société anonyme*) incorporated under the laws of France with a share capital of 440,000,000 Euros, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, identified under number 692 024 722 RCS Paris.

CACEIS Bank, Luxembourg Branch is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 209.310. It is licensed to carry out banking activities under the terms of the amended Luxembourg Law of 5 April 1993 on the financial sector and specialises in custody, fund administration and related services. Investors may consult upon request at the registered office of the Company, 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 Compartments' 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 Company' cash flows.

In due compliance with the UCITS Rules the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of units of the Company are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;
- (ii) ensure that the value of the Units is calculated in accordance with the UCITS Rules, the Articles and the procedures laid down in the Directive;
- (iii) carry out the instructions of the Company, unless they conflict with the UCITS Rules, or the Articles;
- (iv) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (v) ensure that a Company'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, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to Correspondents 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 is available on the website of the Depositary ([www.caceis.com](http://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 Company, 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 Company'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 Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

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 Company, notably, administrative agency and registrar agency services.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Company 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 Compartments have been transferred to the new depositary bank.

The Depositary has neither decision-making discretion nor any advice duty relating to the Company's investments. The Depositary is a service provider to the Company 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 Company.

## **9. CHARGES & EXPENSES**

The Company shall bear the following expenses:

- all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- standard brokerage fees and bank charges originating from the Company's business transactions;
- all fees due to the Board of Directors of the Company, the correspondent banks and to the Auditor;
- all fees due to any sub-paying agent, to representatives in foreign countries and any other agents;
- all fees due to the legal advisors or similar administrative charges, incurred by the Company, the Management Company and the Depositary for acting on behalf of the Shareholders;
- all reasonable expenses of the Board of Directors of the Company, the Management Company, the Administration Agent and the Depositary;
- all expenses connected with publications and the supply of information to Shareholders, in particular the cost of printing global certificates and proxy forms for general meetings for the Shareholders, the cost of publishing the issue and redemption prices, and also the cost of printing, the distribution of the annual and semi-annual reports, the Prospectus as well as the KID;

- all expenses involved in registering and maintaining the registration of the Company with all governmental agencies and stock exchanges;
- all expenses incurred in connection with its operation and its management (e.g. insurance and interests) also including all extraordinary and irregular expenses which are normally incurred by the Company;
- all recurring expenses will be charged first against current income, then, should this not suffice, against realised capital gains, and, if necessary, against asset;
- all fees and expenses for investment research services and/or trade ideas; and
- all fees and expenses for transactional and trade-related services incurred by the Company either directly or through its delegates.

A Compartment may incur charges relating to investment research which is or may be received by the Management Company in managing the assets of the Compartment, charges which are currently paid by the Compartment as part of applicable brokerage fees and commissions. In this regard, the Management Company operates research payment accounts (“**RPA(s)**”) from 1 January 2018 in order to ensure that it complies with its regulatory obligations under Directive 2014/65/EU as may be amended from time to time (“**MiFID II**”). The RPA(s) operated by the Management Company shall be funded by a specific research charge to the relevant Compartment and shall be used to pay for investment research received by the Management Company from third parties and must be operated in accordance with the requirements of MiFID II. The Management Company in conjunction with the Directors shall set and regularly assess a research budget for the relevant Compartment and shall agree the frequency with which such charges will be deducted from the relevant Compartment assets, instead of being paid by it through brokerage fees and commissions. Details as to these charges shall be available in the financial statements of the Company.

Any costs incurred by the Company, which are not attributable to a specific Compartment, will be charged to all Compartments in proportion to their net assets. Each Compartment will be charged with all costs or expenses directly attributable to it.

The Company, except as otherwise provided in the Appendix for a specific Compartment, shall pay out of the assets of each Compartment fees which shall cover the remuneration of the Management Company, the Administration Agent and the Depositary as further described in the relevant Appendix.

## **10. TOTAL EXPENSE RATIO**

This ratio expresses the sum of all costs and commissions charged on an ongoing basis to the Compartment’s assets taken retrospectively as a percentage of the Compartment’s average assets.

The latest calculated TER can be found in the Company’s latest financial report.

## **11. 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.

### 11.1 The Company

The Company is not subject to taxation in Luxembourg on its income, profits or gains. The Company is not subject to net wealth tax in Luxembourg. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares.

However, any Class reserved to retail investors is liable in Luxembourg to a “*taxe d’abonnement*” of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the total net asset value of each Class at the end of the relevant quarter.

Any Class reserved to institutional investors within the meaning of article 174 of the Law (an “**Institutional Investor**”) is liable in Luxembourg to a “*taxe d’abonnement*” of 0.01% per annum of their net assets. Such tax is payable quarterly and is calculated on the total net asset value of each Class at the end of the relevant quarter.

A reduced “*taxe d’abonnement*” rate of 0.01% per annum of their net assets is also applicable to Compartments that are authorised as money market funds under the Money Market Fund Regulation (without prejudice to article 175, letter b) of the Law).

A “*taxe d’abonnement*” exemption applies to:

- The portion of any Compartment’s assets (*pro rata*) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the “*taxe d’abonnement*”;
- Any Compartment (i) whose securities are only held by Institutional Investor(s), and (ii) that are authorised as short-term money market funds in accordance with the Money Market Fund Regulation, and (iii) that have obtained the highest possible rating from a recognised rating agency. If several Classes exist in the relevant Compartment, the exemption only applies to Classes whose securities are reserved to Institutional Investors;
- any Compartment whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees and (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 within the Compartment, the exemption applies only to those Classes whose securities are reserved for the investors referred to in points (i), (ii) and (iii) of this point;
- Any Compartment, whose main objective is the investment in microfinance institutions;
- Any Compartment, (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognized and open to the public and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Classes are in issue in the relevant Compartment meeting (ii) above, the exemption only applies to those Classes fulfilling the condition of point (i) above; and
- Any Compartment 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.



In order to benefit from these exemptions, the Compartment must indicate the value of the eligible net assets separately in the periodic declarations that they make to the Registration Duties, Estates and VAT Authority.

The Company or any Compartment thereof, may also benefit from reduced *taxe d'abonnement* rates depending on the value of the relevant Compartment's net assets invested in economic activities that qualify as environmentally sustainable within the meaning of Article 3 of the Taxonomy Regulation, as defined hereafter (the "**Qualifying Activities**"), except for the proportion of net assets of the Company or the relevant Compartment invested in fossil gas and/or nuclear energy related activities.

The reduced *taxe d'abonnement* rates would be of:

- 0.04% if at least 5% of the total net assets of the Company or of the relevant Compartment are invested in Qualifying Activities;
- 0.03% if at least 20% of the total net assets of the Company or of the relevant Compartment, are invested in Qualifying Activities;
- 0.02% if at least 35% of the total net assets of the Company, or of the relevant Compartment, are invested in Qualifying Activities; and
- 0.01% if at least 50% of the total net assets of the Company, or of the relevant Compartment, are invested in Qualifying Activities.

The *taxe d'abonnement* rates mentioned above would only apply to the net assets invested in Qualifying Activities.

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

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

As a result of recent developments in EU law concerning the scope of the VAT exemption for management services rendered to investment funds, VAT on some of the fees paid out of the assets of the Company to remunerate service providers might be applied.

## **11.2 Shareholders**

### **(a) Taxation of Luxembourg resident shareholders**

#### **(i) Individual shareholders**

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

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

Distributions received from the SICAV 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*) giving an effective marginal tax rate of 45.78% in 2020.

(ii) Luxembourg resident corporate shareholders

Luxembourg-resident corporate Investors will be subject to corporate taxation at the rate of 24.94% (in 2020 for entities having their registered office in Luxembourg City) on capital gains realised upon disposal of Shares and on the distributions received from the SICAV.

Luxembourg-resident corporate Investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the Law of 17 December 2010 on undertakings for collective investment, as amended, (ii) a specialised investment fund subject to Law of 13 February 2007 on specialised investment funds, as amended, (iii) a reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg-resident corporate Investors except if the holder of the Shares is (i) a UCI subject to the Law of 17 December 2010 on undertakings for collective investment, as amended, (ii) a vehicle governed by the Law of 22 March 2004 on securitisation, as amended, (iii) an investment company in risk capital subject to the Law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialised investment fund subject to the Law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

Tax exempt shareholders

A shareholder who is either (i) an undertaking for collective investment subject to the Law, (ii) a specialised investment fund governed by the law of 13 February 2007 on specialised investment funds, as amended, (iii) a family wealth management company governed by the law of 11 May 2007 related to family wealth management companies, as amended, (iv) a vehicle governed by the law of 22 March 2004 on securitisation, as amended, (v) an investment company in risk capital, as amended and (vi) a reserved alternative investment fund subject to the law of 23 July 2016 on reserved alternative investment funds is exempt from income tax in Luxembourg. Dividends derived from and capital gains realised on the Shares are thus not subject to income tax in their hands.

(b) **Taxation of Luxembourg non-residents shareholders**

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 SICAV and the Shares will not be subject to net wealth tax.

(c) **Inheritance tax and gift tax**

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

(d) **Automatic Exchange of information**

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

The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (“**CRS Law**”). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Company may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated 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.

The Company is responsible for the treatment of the personal data provided for in the CRS Law. The investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) which can be exercised by contacting the Company at its registered office.

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

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

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

(e) **Tax considerations for Individuals Resident in Belgium**

The Company or the Management Company will not be held responsible in case Belgium Shareholders become liable to pay any taxes which might arise from an interpretation or application of the *taxe sur les opérations de Bourse*.

### 11.3 FATCA

FATCA, a part of the U.S. Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It is designed to prevent U.S. tax payers from avoiding U.S. tax on their income by investing through foreign financial institutions and offshore funds.

FATCA applies to so called Foreign Financial Institutions (“**FFIs**”), which notably include certain investment vehicles (“**Investment Entities**”), among which UCITS.

According to the FATCA Rules, FFIs, unless they can rely under ad-hoc lighter or exempted regimes, need to report to the Internal Revenue Services (“**IRS**”) certain holdings by/ and payments made to a/ certain U.S. investors b/ certain U.S. controlled foreign entity investor, c/ non U.S. financial institution investors that do not comply with their own obligations under FATCA and d/clients that are not able to document clearly their FATCA status. Investors not properly documented or not complying with their FATCA obligations may also suffer a 30% withholding tax on so called “withholdable payments”.

On 24<sup>th</sup> March 2014, the Luxembourg and U.S. governments entered into a Model I IGA which aims to coordinate and facilitate the reporting obligations under FATCA with other U.S. reporting obligations of Luxembourg financial institutions.

The Company has to comply with this Luxembourg IGA as implemented into Luxembourg law by the law of 24 July 2015 relating to FATCA (the “**FATCA Law**”) in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA.

According to the terms of the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect Shareholders that are “Specified US Persons” for FATCA purposes (“**FATCA Reportable accounts**”). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

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

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

- d) deduct applicable US withholding taxes from certain payments made to an investor by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

Investors should contact their own tax adviser regarding the application of FATCA to their particular circumstances.

## **12. GENERAL INFORMATION**

### **12.1 Organisation**

The Company is an investment company organised as a *société anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* (SICAV) subject to Part I of the Law. The Company was incorporated on 17 September 2014. The Company is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B190584. The articles of incorporation were published in the Luxembourg legal gazette (*Mémorial C Recueil des Sociétés et Associations*) on 6 October 2014 and the last amendments thereto dated 16 August 2017 were published in the *Recueil électronique des sociétés et associations* (RESA).

**The minimum capital of the Company required by Luxembourg law shall be 1,250,000 EUR.**

### **12.2 The Shares**

Shares will be issued in registered form. Fractional entitlements to Shares will be rounded to 2 decimal places. Subject to the restrictions described herein, Shares in each Compartment are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to each Class of the relevant Compartment. The rules governing such allocation are set forth under 5. “Allocation of Assets and Liabilities among the Compartments”.

The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Company become null and void.

Should the Shareholders, at an annual general meeting, decide any distributions in respect of distribution Shares (if issued) these will be paid within one month of the date of the annual general meeting. Under Luxembourg law, no distribution may be decided as a result of which the net assets of the Company would become less than the minimum provided for under Luxembourg law.

### **12.3 Meetings**

The annual general meeting of Shareholders will be held at the registered office of the Company in Luxembourg, or such other place in the Grand Duchy of Luxembourg, as may be specified in the notice of the meeting at any date and time decided by the Board of Directors but not later than within 6 months from the end of the Company’s previous financial year.

Notices will be sent to the holders of registered Shares recorded by the transfer agent in the Share register of the Company by post at least 8 calendar days prior to the meeting at their addresses shown on the register of Shareholders. Such notices will include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities laid down in the Luxembourg law of 10 August 1915 on commercial companies (as amended) and in the Articles of the Company.

Each Share confers the right to one vote, however Board of Directors may suspend the right to vote of any Shareholder which does not fulfil its obligations under the Articles of Incorporation or any document stating its obligations towards the Company and/or the other Shareholders. The vote on the payment of a dividend on a particular Class requires a separate majority vote from the meeting of Shareholders of the Class concerned. Any change in the Articles affecting the rights of a Compartment must be approved by a resolution of both the general meeting of the Company and the Shareholders of the Compartment concerned.

The Board of Directors draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor (i) to exercise certain shareholder rights directly against the Company or (ii) to be indemnified directly from the Company in case of net asset value calculation errors and/or non-compliance with investment rules and/or other errors at the level of a Compartment. Investors are advised to take advice on their rights.

#### **12.4 Reports and Accounts**

Audited annual reports shall be published within 4 months following the end of the accounting year and unaudited semi-annual reports shall be published within 2 months following the period to which they refer. The annual and semi-annual reports shall be made available at the registered offices of the Company, the Depositary, the representatives and paying agents during ordinary office hours. The Company's accounting year ends on 31 December each year.

The Reference Currency of the Company is the EUR. The aforesaid reports will comprise consolidated accounts of the Company expressed in EUR as well as individual information on each Compartment expressed in the Reference Currency of each Compartment.

#### **12.5 Allocation of assets and liabilities among the Compartments**

For the purpose of allocating the assets and liabilities between the Compartments, the Board of Directors has established a pool of assets for each Compartment in the following manner:

- (1) the proceeds from the issue of each Share of each Compartment are to be applied in the books of the Company to the pool of assets established for that Compartment and the assets and liabilities and income and expenditure attributable thereto are applied to such pool subject to the provisions set forth hereafter;
- (2) Where any asset is derived from another asset, such derivative asset is applied in the books of the Company to the same pool as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant pool;
- (3) Where the Company incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool;
- (4) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Compartments;
- (5) upon the payment of dividends to the holders of Shares in any Compartment, the net asset value of such Compartment shall be reduced by the amount of such dividends.

If there have been created within each Compartment different classes of Shares, the rules shall mutatis mutandis apply for the allocation of assets and liabilities amongst Classes.

## **12.6 Determination of the net asset value of Shares**

The net asset value of Shares of each Compartment shall be expressed in the Reference Currency of the relevant Compartment. The net asset value shall be determined by the Administration Agent on each Valuation Day and on any such day that the Board may decide from time to time by dividing the net assets of the Company attributable to each Compartment by the number of outstanding Shares of that Compartment.

The Administration Agent calculates the net asset value per Share in each Compartment on the Valuation Day as defined in the Appendix. In order to avoid market timing in their units, and prevent arbitrage opportunities, where the Compartment is a Feeder UCITS, the Valuation Day shall be the same day as the valuation day of the Master UCITS.

The calculation of the net asset value of the Shares of any Compartment and the issue, redemption, and conversion of the Shares of any Compartment may be suspended in the following circumstances, in addition to any circumstances provided for by law:

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

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

- (i) during the period where the Company has no depositary; and

- (ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

Furthermore, a Feeder UCITS may temporarily suspend the redemption, reimbursement or subscription of its shares, when its Master UCITS temporarily suspends the redemption, reimbursement or subscription of its units, whether this be at its own initiative or at the request of its competent authorities, for a period identical to the period of suspension imposed on the Master UCITS.

The value of the assets of each Class of Shares of each Compartment is determined as follows:

I. The assets of the Company contain the following:

- (1) all cash in hand or receivable or on deposit, including accrued interest;
- (2) all bills and demand notes and accounts due (including the price of securities sold but not collected);
- (3) all securities, shares, bonds, units/shares in undertakings for collective investment, debentures, options or subscription rights and any other investments and securities belonging to the Company;
- (4) all dividends and distributions due to the Company in cash or in kind; the Company may however adjust the valuation to check fluctuations of the market value of securities due to trading practices such a trading ex dividend or ex rights;
- (5) all financial rights which arise from the use of derivative instruments;
- (6) all accrued interest on securities held by the Company except to the extent such interest is comprised in the principal thereof;
- (7) the preliminary expenses of the Company insofar as the same have not been written off, provided that such preliminary expenses may be written off directly from the capital of the Company;
- (8) all other permitted assets of every kind and nature, including prepaid expenses.

II. The value of such assets is fixed as follows:

- (1) shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a regulated market, will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available net asset value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;
- (2) the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market at the closing price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;



- (3) shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;
- (4) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
- (5) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
- (6) swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;
- (7) the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
- (8) any assets or liabilities in currencies other than the relevant currency of the concerned Compartment will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;
- (9) in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub paragraph (ii) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;
- (10) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. If the method of valuation on an amortised cost basis is used, the portfolio holdings will be reviewed from time to time under the direction of the Board of Directors to determine whether a deviation exists between the net asset value calculated using market quotations and that calculated on an amortised cost basis. If a deviation exists which may result in a material dilution or other unfair result to investors or existing Shareholders, appropriate corrective action will be taken including, if necessary, the calculation of the net asset value by using available market quotations;
- (11) in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles

are in the best interests of the Shareholders any other appropriate valuation principles for the assets of the Company; and

- (12) in circumstances where the interests of the Company or its Shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

If after the Net Asset Value per Share has been calculated, there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the Company attributable to a particular Compartment is dealt or quoted, the Company may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation (provided that it has not yet been published) and carry out a second valuation. In the case of such a second valuation, all issues, conversions or redemptions of Shares dealt with by the Compartment for such a Valuation Day must be made in accordance with this second valuation.

The liabilities of the Company contain the following:

- (1) all loans, bills and accounts payable;
- (2) all accrued or payable administrative expenses (including but not limited to management fee, depositary fee and corporate agents' insurance premiums fee, listing agent fees and any other fees payable to representatives and agents of the Company, as well as the costs of incorporation and registration, fees for maintaining listing, bank charges, legal publications and sales documents printing, financial reports and other documents made available to Shareholders, marketing and advertisement costs as well as costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the Shares are marketed);
- (3) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Company where the date of valuation falls on the record date for determination of the person entitled thereto or is subsequent thereto;
- (4) an appropriate provision for future taxes based on capital and income as at the date of the valuation and any other reserves, authorised and approved by the Board of Directors; and
- (5) all other liabilities of the Company of whatsoever kind and nature except liabilities related to Shares in the relevant Class toward third parties. In determining the amount of such liabilities the Company may take into account all administrative and other expenses of a regular or periodical nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

For the purpose of valuing its liabilities, the Company may include all administrative and other expenses of a regular or periodic nature by valuing these for the entire year or any other period and apportioning the resulting amount proportionally to the respective expired period of time. The method of valuation may only apply to administrative or other expenses which concern all of Shares equally.

III. For the purpose of valuation within the scope of this chapter, the following applies:

- (1) Shares of the Company to be redeemed under Article 12 hereof shall be treated as existing and taken into account until immediately after the time specified by the

Directors on the Valuation Day on which such valuation is made, and, from such time and until paid, the price therefore shall be deemed to be a liability of the Company;

- (2) Shares of the Company in respect of which subscription has been accepted but payment has not yet been received shall be deemed to be existing as from the close of business on the Valuation Day on which they have been allotted and the price therefore, until received by the Company, shall be deemed a debt due to the Company;
- (3) all investments, cash balances and other assets of any Compartment expressed in currencies other than the currency of denomination in which the net asset value per Share of the relevant Compartment is calculated shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the net asset value of the relevant Compartment;
- (4) effect shall be given on any Valuation Day to any purchases or sales of securities contracted for by the Company on such Valuation Day, to the extent practicable; and
- (5) the valuation referred to above shall reflect that the Company is charged with all expenses and fees in relation to the performance under contract or otherwise by agents for management company services (if appointed), asset management, custodial, domiciliary, registrar and transfer agency, audit, legal and other professional services and with the expenses of financial reporting, notices and dividend payments to Shareholders and all other customary administration services and fiscal charges, if any.

## 12.7 Swing pricing

Under certain circumstances (such as large volumes of deals) investment and/or disinvestment costs may have an adverse effect on the value of a Compartment, such adverse effect being also known as “Dilution”. This Dilution may occur when the actual cost of purchasing or selling the underlying assets of a Compartment deviates from the carrying value of these assets in the Compartment’s valuation due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets.

To mitigate the effects of dilution, the Management Company may at its discretion apply a swing pricing methodology (“**Swing Pricing**”) as part of its daily valuation policy. Swing Pricing permits to counter the dilution of the net asset value as a result of large subscriptions or redemptions of Shares.

The Swing Pricing is implemented for the Compartment Boussard & Gavaudan Convertible.

The Management Company shall normally apply a partial Swing Pricing, meaning that the net asset value will only be swung when the net capital activity of a Compartment exceeds a predefined threshold.

If on any Valuation Day, the aggregate transactions in Shares of a Compartment result in a net increase or decrease in net assets which exceeds a certain percentage of total net assets (the “**Threshold**”), as established by the Management Company, the net asset value of the relevant Compartment will be adjusted by a percentage (the “**Swing Factor**”), which reflect the estimated dealing costs that may be incurred by the Compartment and the estimated bid/offer spread of the assets in which the Compartment invests. The Threshold may vary over time and from one sub-fund to another. The Threshold is based on objective criteria such as the size of the Compartment and the dealing costs for a Compartment. The Swing Factor will normally not exceed 2.5% of the net asset value of the relevant Compartment.

The Threshold and the Swing Factor are set by the Management Company taking into account factors such as prevailing market conditions, estimated dilution costs, estimated bid ask spread and the size of the relevant Compartment.

The volatility of the net asset value of a Compartment might not reflect the true portfolio performance as a consequence of the application of Swing Pricing. Swing Pricing shall therefore have no impact on the calculation of performance fees, as the unswung net asset value, of the relevant Compartment shall be used as a basis for the performance of this Compartment.

In case of a Compartment being merged, the Management Company may adjust the final net asset value per Share of the merging Compartment, or make other appropriate adjustments in order to neutralise at the level of the Compartment being merged, the impact of any pricing adjustment made through the Swing Pricing mechanism in the absorbing Compartment as a result of cash inflows or outflows in the absorbing Compartment on the merger date.

In exceptional circumstances of high volatility and/or low trading volumes in markets, to protect the interests of shareholders, the Management Company may decide to apply a full swing price policy. In this case, no Threshold will be applied: the net asset value is swung each day, regardless of the net capital flows. The Swing Factor will normally not exceed 2.5% of the net asset value unless exceptional market conditions occur.

The Management Company may also decide to suspend the application of any Swing Pricing adjustment to the net asset value of any particular Compartment.

The Swing Pricing is reviewed periodically by an ad hoc committee of the Management Company.

#### **12.8 Merger or Liquidation of Compartments or Classes**

The Directors may decide at any moment the termination, division and/or amalgamation of any Compartment or Class. In the case of termination of a Compartment or Class, the Directors may offer to the Shareholders of such Compartment or Class the conversion of their Class of Shares into Classes of Shares of another Compartment, under terms fixed by the Directors.

In the event that for any reason the value of the net assets in any Compartment or of any Class of Shares within a Compartment has decreased to an amount determined by the Directors from time to time to be the minimum level for such Compartment or such Class of Shares to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Compartment concerned would have material adverse consequences on the investments of that Compartment, the Directors may decide to compulsorily redeem all the Shares of the relevant Classes issued in such Compartment at the net asset value per Share, taking into account actual realisation prices of investments and realisation expenses and calculated on the Valuation Day at which such decision shall take effect.

The Company shall serve a notice to the Shareholders of the relevant Class of Shares prior to the effective date of the redemption, which will indicate the reasons for and the procedure of the redemption operations. Unless it is otherwise decided in the interests of, or to maintain equal treatment between the Shareholders, the Shareholders of the Compartment concerned may continue to request redemption or conversion of their Shares free of charge, taking into account actual realisation prices of investments and realisation expenses and prior to the date effective for the compulsory redemption.

Assets which may not be distributed to their owners upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares will be cancelled in the books of the Company.

Under the same circumstances provided for under this Article the Board of Directors may decide to reorganise a Compartment or Class by means of a division into two or more Compartments or Classes.

The Board of Directors may decide to consolidate a Class of any Compartment. The Board of Directors may also submit the question of the consolidation of a Class to a meeting of holders of such Class. Such meeting will resolve on the consolidation with a simple majority of the votes cast.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraphs, a general meeting of Shareholders of any Compartment (or Class as the case may be) may, upon proposal from the Board of Directors, (i) decide that all Shares of such Compartment shall be redeemed and the net asset value of the Shares (taking into account actual realisation prices of investments and realisation expenses) refunded to Shareholders, such net asset value calculated as of the Valuation Day at which such decision shall take effect, and/or (ii) decide upon the division of a Compartment or the division, consolidation or amalgamation of Classes of Shares in the same Compartment. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of the votes cast if such decision does not result in the liquidation of the Company. Liquidation proceeds not claimed by the Shareholders at the close of the liquidation of a Compartment will be deposited at the *Caisse de Consignation* in Luxembourg. If not claimed they shall be forfeited in accordance with Luxembourg Law.

Any merger of a Compartment shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of Shareholders of the Compartment concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast. In case of a merger of one or more Compartment(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of Shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (relating in particular to the notification to the Shareholders concerned) shall apply.

### **12.9 Liquidation of the Company**

The Company is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders. Such a meeting must be convened by the Board of Directors within 40 calendar days if the net assets of the Company become less than two thirds of the minimum capital required by law. The meeting, for which no quorum shall be required, shall decide on the dissolution by a simple majority of Shares represented at the meeting. If the net assets fall below one fourth of the minimum capital, the dissolution may be resolved by Shareholders holding one fourth of the Shares at the meeting.

Should the Company be liquidated, such liquidation shall be carried out in accordance with the provisions of the Law and which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the *Caisse de Consignation* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Compartment shall be distributed to the Shareholders of the relevant Compartment in proportion to their respective holdings.

### **12.10 Material Contracts**

The following material contracts have been entered into:

- (1) An agreement between the Company and the Management Company pursuant to which the latter acts as management company of the Company. This Agreement is entered into for an unlimited period and may be terminated by either party upon three months

written notice.

- (2) An agreement between the Company and CACEIS Bank, Luxembourg Branch pursuant to which the latter was appointed depositary. The Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (3) An agreement between the Company, the Management Company and CACEIS Bank Luxembourg pursuant to which the latter acts as registrar and transfer agent -and administration agent of the Company. The Agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.
- (4) An agreement between the Company and CACEIS Bank Luxembourg pursuant to which the latter was appointed paying agent and domiciliary agent. The agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.

### **12.11 Documents**

Copies of the contracts mentioned above are available for inspection, and copies of the Articles, the current Prospectus, the KID for the Compartments and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Company in Luxembourg.

Relevant notifications or other communications to Shareholders concerning their investment in the Company (including changes to the Prospectus) may be posted on Boussard & Gavaudan's website. Where required by Luxembourg law or the CSSF, Shareholders will continue to be notified in writing or in such other manner as prescribed under Luxembourg law.

### **12.12 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 Compartments, 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 benchmark used by the Compartment is, as at the date of this Prospectus, provided by benchmark administrator who is registered on the public register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

This benchmark and administrator is FTSE © Global Focus Hedged EUR: calculated and published in Euro, and administered by Refinitiv Benchmark Services (UK) Limited.

The Management Company is a benchmark user for the purpose of the Benchmark Regulation and makes available a written plan setting out the actions that will be taken in the event of the benchmarks materially changing or ceasing to be provided, on request and free of charges at its registered office of the Company in Luxembourg.

### **12.13 Complaints Handling**

Shareholders of each Compartment of the Company may file complaints free of charge with the Management Company in an official language of their home country.

Shareholders can access the complaints handling procedure on <http://www.boussard-gavaudan.com/>.

### **12.14 Data Protection**

Prospective investors should note that by completing the Application Form they are providing information to the Company which may constitute personal data within the meaning of data protection legislation in Luxembourg and as of 25 May 2018, “personal data” within the meaning of the GDPR. This data will be used by or on behalf of the Company for the purposes of client identification and the subscription process, management and administration of your holding in the Company, statistical analysis, market research, investor communication and to comply with any applicable legal, taxation or regulatory requirements. Such data may be disclosed and / or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Company and their or the Company’s duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Luxembourg) for the purposes specified.

It should also be noted that the Management Company may act as a data controller of the personal data provided to the Company for the following purposes: statistical analysis, market research, direct marketing, investor communication and to comply with any applicable legal, taxation or regulatory requirements.

Investors have a right to obtain a copy of their personal data kept by the Company and the Management Company, the right to rectify any inaccuracies in personal data held by the Company and the Management Company, the right to lodge a complaint with the relevant data protection supervisory authority and in a number of circumstances a right to be forgotten and a right to restrict or object to processing. In certain limited circumstances a right to data portability may apply.

The Company and its appointed service providers will retain all documentation provided by a Shareholder in relation to its investment in the Company for such period of time as may be required by Luxembourg legal and regulatory requirements.

A copy of the data privacy statement of the Company is available upon request from the Management Company or Administrator and on Boussard & Gavaudan’s website.

The prospective investors’ attention is drawn to the fact that the data protection information contained herein and in the Notice sent to the shareholders is subject to changes at the sole discretion of the Company or Management Company.

## **APPENDIX TO THE PROSPECTUS - COMPARTMENT**

The Compartment is the following:

- Boussard & Gavaudan Convertible

For the avoidance of doubt all the foregoing definitions of Section 1 “Definitions” shall apply to the following Appendices.

In case of discrepancy or any inconsistency between provisions contained in the general part of the Issuing Document and the Appendices, the provisions of the Appendices shall ever prevail over those of general part.



## **APPENDIX 1. BOUSSARD & GAVAUDAN CONVERTIBLE**

### **1. INVESTMENT OBJECTIVE AND POLICY OF THE COMPARTMENT**

#### **1.1 Investment Objective**

The investment objective of this Compartment is to provide capital growth over a long-term period by investing and arbitraging primarily in a diversified portfolio of “Convertible Securities” (as defined in section 1.2 below).

The Compartment aims to outperform the FTSE © Global Focus Hedged EUR index over a recommended investment horizon of five years.

#### *Benchmark*

FTSE © Global Focus hedged in EUR index, calculated and published in Euro, and administered, by Refinitiv Benchmark Services (UK) Limited.

RIC code                      UCBINDEXW1059

Bloomberg code            UCBIFX14 Index

The Global Focus Sub-Index is an index derived from the Global Index using Regional Market Capitalisation, Percentage Price and Premium criteria. It aims to represent a sub-set of the Convertible market by selecting a sub-set of constituents from the Global Index with a common set of defined characteristics representing issues with what is termed a ‘balanced’ profile. Relevant documentation can be accessed following such urls: <https://www.lseg.com/en/ftse-russell/indices/convertible-indices> and [https://www.lseg.com/content/dam/ftse-russell/en\\_us/documents/factsheets/convertible-bond-indices.pdf](https://www.lseg.com/content/dam/ftse-russell/en_us/documents/factsheets/convertible-bond-indices.pdf) and [https://www.lseg.com/content/dam/ftse-russell/en\\_us/documents/methodology/convertible-indices-methodology.pdf](https://www.lseg.com/content/dam/ftse-russell/en_us/documents/methodology/convertible-indices-methodology.pdf)

The Compartment is actively managed and uses the benchmark for performance comparison purposes only. The Management Company is not in any way constrained by a benchmark in its portfolio positioning. The deviation from the benchmark may be complete or significant. The benchmark does not take into account the ESG strategy promoted by the Compartment.

#### **1.2 Investment Policy**

The Compartment seeks to achieve its investment objective by investing under normal circumstances at least two thirds of its net assets in “Convertible Securities” (as further described below) or other debt securities issued by (or referencing) companies (i) domiciled or operating in Europe and North America or (ii) within groups conducting a preponderant part of their activities in Europe and North America. The strategies aim to gain market exposure primarily to European and North American companies via convertible bonds, equity options and index options.

Convertible Securities include, but are not limited to: corporate bonds, debentures, notes or preferred stocks and their hybrids that can be converted (at the option of the holder or on a mandatory basis) into, or exchanged for, common stock or other securities or a combination of cash and securities, such as warrants or options, which provide an opportunity for equity participation.

Besides voluntarily-convertible or exchangeable bonds, Convertible Securities include - without limitation - “mandatory-conversion” securities (e.g. mandatorily convertible bonds or preferred stocks) and “equity-linked” securities (i.e. securities or derivatives that have fixed, variable or no interest payments prior to maturity, and may convert into cash and equity).

Convertible Securities also include “synthetic” Convertible Securities. Synthetic Convertible Securities are positions that combine (i) non-convertible fixed income securities or preferred stocks, which may be represented by derivative instruments and (ii) securities or instruments such as warrants or call options that together possess economic characteristics similar to a Convertible Security. For example, a synthetic convertible bond is created by combining the purchase of a straight bond with a call option on the underlying equity.

The Compartment may invest in Convertible Securities issued by companies of all sizes and market capitalisations, both investment-grade securities, high yield and non-rated securities, denominated in Euro or foreign currencies.

In addition, the Compartment may invest in other fixed income securities, including bonds, debt securities and other similar instruments.

The Compartment will not invest in asset-backed securities, mortgage-backed securities and contingent convertible - Co-Co - bonds.

#### *Description of Convertible Securities*

Convertible Securities are “hybrid” securities:

They have some characteristics of bonds and some of common stocks. Like a bond, a Convertible Security typically pays a fixed rate of interest (or dividends) and promises to repay principal on a given date in the future. However, a holder of such security can exchange the Convertible Security for a specific number of shares of the bond issuing company’s (or, in the case of an exchangeable bond, by a third party issuer’s) common stock at a “conversion price” specified when the Convertible Security is issued. Accordingly, the value of the Convertible Security increases (or decreases) with the price of the underlying common stock. Convertible Securities typically pay an income yield that is higher than the dividend yield of the issuer’s common stock, but lower than the yield of the issuer’s debt securities.

The price of Convertible Securities may fluctuate in response to several factors or components:

- the price of the equity security underlying the Convertible Security,
- the volatility of the price of the underlying equity,
- the credit quality of the Convertible Securities’ issuer,
- certain corporate events or special situations involving the issuer of the underlying equity, such as for example: distributions to shareholders, tender offers. These events may impact the value of the Convertible Securities because often the holders of the Convertible Securities benefit from certain rights and protections in such situations, and
- interest rates.

The equity and credit and interest rates of Convertible Securities can be further described as follows:

- Equity component:  
When a convertible bond’s predetermined conversion price is about the same as the price of the issuing company’s shares, the convertible bond tends to behave more like the shares. In such a case, the convertible bond’s price may be as volatile as that of the shares.
- Credit and interest rates component:  
When the price of the issuing company’s shares falls, the return on the convertible bond may exceed those of the underlying shares, because the convertible bond’s price has a floor equal to

the value of the bond (i.e. straight bond). At some point, the price of the issuing company's shares can become so low that it has little or no effect on the convertible bond's value.

### 1.3 Investment Strategy

The portfolio construction will depend on investment opportunities, mostly based on internal fundamental research and selection, and on the risk management.

Because of its hybrid nature and different several components, Convertible Securities may present opportunities to pursue several strategies from time to time:

- Long exposure

This strategy involves taking a long position in a convertible bond in an attempt to profit from:

- credit improvement (narrowing of spreads),
- current income (carrying yield),
- equity appreciation, and/or
- special situation or merger arbitrage.

- Arbitrage

This strategy involves combining a long position in a convertible bond (or mandatory convertible bond), with a short position in the underlying equity and sometimes a short exposure to the issuer's credit, in an attempt to profit from:

- a convertible bond priced inefficiently (undervalued) relative to the company's stock, i.e. the price of the convertible bond is lower than the sum of the value of its fixed-income and equity components, or
- a mispricing of the "skew", i.e. a mispricing of the call volatility compared to the issuer's credit.

For hedging and for efficient management purposes, within the limits set out in the section "Investment Policies and Restrictions" of this Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialised in this type of transactions and that they are in line with the Law as well as the investment policy of the Compartment. This may include instruments such as, but not limited to, CFDs (equity), CDS (single name, index), futures (index, bond - including on government bonds), swaps (interest rates swaps), forwards (interest rates, currencies), options (equity, index).

The Compartment may also invest in units or shares of UCITS up to 10% of its net assets.

On an ancillary basis, the Compartment may also:

- take exposure to any other transferable securities such as, but not limited to, equities, and any other financial derivative instruments such as, but not limited to, CFDs, warrants, rights, callable asset swaps, index futures, forwards, and/or
- invest in exchange-traded funds (ETFs) of open and closed-ended type.

For treasury purposes or in case of unfavourable market conditions, or in order to achieve its investment goals, the Compartment may hold money markets instruments (including but not limited to money market funds, commercial papers, deposit certificates, debt securities issued or guaranteed by

government bonds) and make bank deposits. The Compartment also intends to use Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions as well as Total Return Swaps as further described below.

The Management Company will pay a strong attention to risk management.

## **2. SPECIFIC RISKS WARNING**

*Credit risk* is the risk that the issuer of a convertible security will fail to pay interest and principal or the risk that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline. Companies that issue convertible securities or exchangeable bonds often have low credit ratings and many convertible securities or exchangeable bonds are below investment grade. If an issuer stops making payments, the securities may become worthless and the Compartment could lose its investment.

*Interest rate risk* is the risk that prices of convertible securities and exchangeable bonds will decline because of rising interest rates. Convertible securities are particularly sensitive to interest rate changes when their conversion price is much higher than the price of the issuing company's underlying common stock.

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

The Compartment is a medium risk vehicle aiming to provide long term capital growth through the convertible bond market, regardless of market conditions. It may be suitable for investors who are more concerned with minimising risks rather than maximising upwards. In particular, this Compartment can offer similar returns of an equity fund but with a potential lower volatility associated to bonds. Investors in this Compartment should also have at least a three to five year investment horizon.

## **4. REFERENCE CURRENCY**

The reference currency of the Compartment is EUR.

## 5. FORM OF SHARES AND CLASSES

### Classes:

The Classes of the Compartment will only be issued in registered form, as further defined in the Prospectus.

Classes	I Class EUR	I Class USD	I Class CHF	I Class GBP	P Class EUR	P Class USD	P Class CHF	P Class GBP	S Class EUR	S Class GBP	R Class EUR	R Class CHF	R Class GBP
<b>Currency</b>	EUR	USD	CHF	GBP	EUR	USD	CHF	GBP	EUR	GBP	EUR	CHF	GBP
<b>Target Investors</b>	Institutional investors Available until the net asset value of this “I Class EUR” Class reaches 100 million Euros	Institutional investors.			Available to investors who comply with the following eligibility criteria:  (a) retail investors investing via a distributor in circumstances where such distributor:  i. is prohibited by the local laws or regulations applicable to it to receive and/or keep any commissions or other non-monetary benefits; and/or  ii. is rendering portfolio management or investment advice on an independent basis (in respect of distributors incorporated in the European Union, as those services are defined in MiFID II); and/or  iii. is providing non-independent advice and has agreed with the investor not to receive and retain any commissions; and  (b) institutional investors.				Available, at the discretion of the Management Company, to the staff and other connected parties of the Management Company and its affiliates.		All type of investors (retail, institutional)		
<b>Minimum Subscription and holding</b>	EUR 5,000,000	USD 100,000	CHF 100,000	GBP 100,000	EUR 1000	USD 1000	CHF 1000	GBP 1000	EUR 1,000	GBP 1,000	EUR 1,000	CHF 1,000	GBP 1,000
<b>Initial subscription period</b>	From 13 March 2015 to 2 April 2015 before Cut-Off Time	From 13 March 2015 to 2 April 2015 before Cut-Off Time	N/A	N/A	From 13 March 2015 to 2 April 2015 before Cut-Off Time	From 13 March 2015 to 2 April 2015 before Cut-Off Time	N/A	N/A	From 13 March 2015 to 2 April 2015 before Cut-Off Time	From 13 March 2015 to 2 April 2015 before Cut-Off Time	From 24 March 2015 to 2 April 2015 before Cut-Off Time	N/A	N/A

Classes	I Class EUR	I Class USD	I Class CHF	I Class GBP	P Class EUR	P Class USD	P Class CHF	P Class GBP	S Class EUR	S Class GBP	R Class EUR	R Class CHF	R Class GBP
<b>Launch Date</b>	2 April 2015	2 April 2015	3 August 2015	14 October 2015	2 April 2015	2 April 2015	3 August 2015	14 October 2015	2 April 2015	2 April 2015	2 April 2015	3 August 2015	14 October 2015
<b>Valuation Day</b>	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day	each Business Day
<b>Cut-off Time</b>	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time
<b>Settlement day</b>	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day
<b>Category of the Shares</b>	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type	Capitalisation type
<b>Initial Price</b>	EUR 1,000	USD 1,000	CHF 1,000	GBP 1,000	EUR 1,000	USD 1,000	CHF 1,000	GBP 1,000	EUR 1,000	GBP 1,000	EUR 1,000	CHF 1,000	GBP 1,000
<b>Management Company Fee</b>	0.4% p.a.	0.8% p.a.	0.8% p.a.	0.8% p.a.	0.8% p.a.	0.8% p.a.	0.8% p.a.	0.8% p.a.	0.5% p.a.	0.5% p.a.	1.6% p.a.	1.6% p.a.	1.6% p.a.

Classes	I Class EUR	I Class USD	I Class CHF	I Class GBP	P Class EUR	P Class USD	P Class CHF	P Class GBP	S Class EUR	S Class GBP	R Class EUR	R Class CHF	R Class GBP
<b>Administrati on Fee</b>	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthl y minimu m of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500
<b>Depository Fee</b>	Up-to 0.06%%	Up-to 0.06% %	Up-to 0.06%%	Up-to 0.06%%	Up-to 0.06%	Up-to 0.06%	Up-to 0.06%	Up-to 0.06%	Up-to 0.06%	Up-to 0.06%	Up-to 0.06%	Up-to 0.06%	Up-to 0.06%
<b>Performance Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Sales Charge</b>	Up-to 3%	Up-to 3%	Up-to 3%	Up-to 3%	Up-to 3%	Up-to 3%	Up-to 3%	Up-to 3%	N/A	N/A	Up-to 3%	Up-to 3%	Up-to 3%

### **Sharing Classes:**

The Compartment offers Classes classified as “sharing classes” (“*classes de partage*”, hereafter “**Sharing Classes**”) in collaboration with the Jérôme Lejeune Foundation, a foundation recognized as being of public utility in France since 1996 (the “**Foundation**”).

The Foundation is a leader in Europe, through the Jérôme Lejeune Institute (the “**Institute**”) ([www.institulejeune.org](http://www.institulejeune.org)) in the care of people with Down syndrome or another intellectual disability of genetic origin.

Donations under the sharing arrangement (as described below) are collected by the Foundation, which uses the proceeds to exclusively finance its care and research missions, in particular those of the Institute.

#### ***Sharing arrangement (“modalité de partage”)***

The Company has determined the sharing arrangement described below applicable to Sharing Classes (i) the P-Sharing Class EUR and (ii) R-Sharing Class EUR (as defined below) issued by the Compartment.

Prospective investors and Shareholders should consult their own tax advisers as to the implications of buying, holding or redeeming Sharing Classes and the related donations under the sharing arrangements as indicated hereafter.

#### ***Donation by the Compartment***

The Foundation shall receive a donation from the Compartment, in respect of each Sharing Class. The donation is calculated as a percentage of the net asset value of the Sharing Class. The donation per Sharing Class is as follows: 0.60% of the net asset value of the relevant Sharing Class per annum (hereafter, the “**Donation**”).

The Donation agreed by the Compartment is a liability of each Sharing Class. The Donation will be accrued daily and payable in arrears. The Donation will be paid, in cash, by the Compartment to the Foundation.

The Donation will not entitle the Shareholders or the Management Company to a tax benefit.

The Sharing Classes of the Compartment will only be issued in registered form, as further defined in the Prospectus.

#### ***Voluntary donations by Shareholders***

At the level of the Shareholder, Shareholders of Sharing Classes make no commitment to make donations to the Foundation. Each Shareholder is free to decide if and when to make a donation (a “**Voluntary Donation**”). A Voluntary Donation by a Shareholder can also take the form of a gift of Shares.

A tax receipt will be issued by the Foundation to Shareholders making a Voluntary Donation. The Voluntary Donation may, or may not, entitle the donating Shareholder to a tax benefit, depending on the applicable tax laws and the donating Shareholder’s tax status, residence, circumstances and position. Prospective investors and Shareholders should consult their own tax advisers as to the implications of making a Voluntary Donation and the provisions of the laws of the jurisdiction in which they are subject to tax.



<b>Sharing Classes</b>	<b>P-Sharing Class EUR</b>	<b>R-Sharing Class EUR</b>
<b>Currency</b>	EUR	EUR
<b>Target Investors</b>	<p>Available to investors who comply with the following eligibility criteria:</p> <p>(a) retail investors investing via a distributor in circumstances where such distributor:</p> <ul style="list-style-type: none"> <li>i. is prohibited by the local laws or regulations applicable to it to receive and/or keep any commissions or other non-monetary benefits; and/or</li> <li>ii. is rendering portfolio management or investment advice on an independent basis (in respect of distributors incorporated in the European Union, as those services are defined in MiFID II); and/or</li> <li>iii. is providing non-independent advice and has agreed with the investor not to receive and retain any commissions; and</li> </ul> <p>(b) institutional investors; and</p> <p>(c) at the discretion of the Management Company, to the staff and other connected parties of the Management Company and its affiliates.</p>	All type of investors (retail, institutional)
<b>Minimum Subscription and holding</b>	EUR 1,000	EUR 1,000
<b>Initial subscription period</b>	As from the date of the visa-stamp of this Prospectus to 21 March 2025 before Cut-Off Time	As from the date of the visa-stamp of this Prospectus to 21 March 2025 before Cut-Off Time
<b>Launch Date</b>	21 March 2025	21 March 2025
<b>Valuation Day</b>	each Business Day	each Business Day
<b>Cut-off Time</b>	10:00 a.m. Luxembourg time	10:00 a.m. Luxembourg time
<b>Settlement day</b>	2 Business Days cob following Valuation Day	2 Business Days cob following Valuation Day
<b>Category of the Shares</b>	Capitalisation type	Capitalisation type
<b>Initial Price</b>	EUR 1,000	EUR 1,000
<b>Management Company Fee</b>	0.4% p.a.	1.0% p.a.
<b>Administration Fee</b>	Up-to 0.05% with a monthly minimum of EUR 2,500	Up-to 0.05% with a monthly minimum of EUR 2,500

<b>Depository Fee</b>	Up-to 0.06%	Up-to 0.06%
<b>Performance Fee</b>	N/A	N/A
<b>Donation by the Sharing Class to the Foundation</b>	0.6% p.a.	0.6% p.a.
<b>Sales Charge</b>	Up-to 3%	Up-to 3%

## 6. MANAGEMENT FEE

The Management Company shall receive a management fee that is calculated as a percentage of the net asset value of each Class of Shares prior to accrual of performance fees (other than realised performance fees due to redemption). Management fees per Class are as follows:

- Class I Shares except Class I Euro Shares – 0.8% p.a.
- Class I Euro Shares – 0.4% p.a.
- Class P Shares – 0.8% p.a.
- Class S Shares – 0.5% p.a.
- Class R Shares – 1.6% p.a.
- P-Sharing Class EUR – 0.4% p.a.
- R-Sharing Class EUR – 1.0% p.a.

The management fees are accrued daily and payable in arrears.

## 7. PERFORMANCE FEE

The Compartment bears no performance fee.

## 8. TOTAL EXPENSE RATIO

The latest calculated total expense ratio rate can be found in the Company's latest financial report.

## 9. RISK MANAGEMENT

The overall risk is calculated with an historical absolute VaR approach. The window of data used for calculation is of one year. We calculate the VaR on a 20-day period with a confidence interval of 99%. The expected level of leverage of the Compartment is 100% to 200% of the net asset value.

The leverage measures the Compartment's investment exposure. It exceeds the net asset value due to the use of financial derivative instruments.

Leverage is not adjusted to take account of any hedging or offsetting trades used to reduce market risk. Therefore the Company's leverage may indicate the extent of derivatives use required at any point in time to pursue its investment objectives rather than its market risk.

The Compartment may have a higher level of leverage in volatile market conditions. In such circumstances the Management Company may increase its use of derivatives in order to reduce the market risk which the Compartment is exposed to; this in turn would have the effect of increasing its levels of leverage.

The expected level of leverage is not a limit and may vary over time.

## **10. USE OF SECURITIES FINANCING TRANSACTIONS**

The Compartment will enter into Securities Lending on a continuous basis, in order to generate additional income or for efficient portfolio management, while it may expect upward and downward variations as described hereafter. The expected proportion of a Compartment's net assets subject to Securities Lending transactions is 25% subject to a maximum of 50%. Variations are dependent on factors such as, but not limited to, total Compartment's net assets, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market. During periods of little or no demand from the market to borrow the underlying securities, the proportion of the Compartment's net assets subject to Securities Lending may be 0%, while there may also be periods of higher demand, in which case this proportion may approach 50%.

The Compartment will not enter into Repurchase Transactions and Reverse Repurchase Transactions on a continuous basis. This will be made on a temporary basis, depending on market conditions and factors (such as, but not limited to, total Compartment's net assets, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market), in order to generate additional income or for efficient portfolio management.

In such a case, the expected proportion of the assets under management of the Compartment that could be subject to Repurchase Transactions and Reverse Repurchase Transactions fluctuates between 0% and 25%, subject to a maximum of 50%.

The Compartment will use Total Return Swaps, long and short, on a temporary basis, depending on market conditions, with the aim of achieving investment gains, reducing risk or managing the Compartment more efficiently. The gross exposure of Total Return Swaps will not exceed 30% of the net asset value and is expected to remain within the range of 0% to 10% of the net asset value.

## **11. SUSTAINABILITY APPROACH**

The Compartment promotes environmental and social characteristics within the meaning of Article 8 SFDR. For further details, please refer to section "Sustainability Risks" and "APPENDIX – PRE-CONTRACTUAL DISCLOSURE FOR FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852" of this Prospectus.

## **12. SUB-INVESTMENT MANAGER**

Boussard & Gavaudan America, LLC ("**BGA**") has been appointed by the Management Company as Sub-Investment Manager of the Compartment.

The fees of BGA will be borne by the Management Company.

**APPENDIX – PRE-CONTRACTUAL DISCLOSURE FOR FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8, PARAGRAPHS 1, 2 AND 2A, OF REGULATION (EU) 2019/2088 AND ARTICLE 6, FIRST PARAGRAPH, OF REGULATION (EU) 2020/852**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Boussard & Gavaudan Convertible**

**Legal entity identifier: 222100JFMKEJSOLL0934**

**Sustainable investment**

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

The Compartment promotes the transition away from carbon, particularly in the power generation sector, through:

- (i) The application of exclusions: The Compartment will not invest in issuers related to greenfield or brownfield thermal coal mines, coal plants, and related infrastructure.

With greenfield investing, a company will build its own, brand new facilities from the ground up. Brownfield investment happens when a company purchases or leases an existing facility.

- (ii) The application of an engagement policy: The Compartment aims to engage with companies to promote the transition away from carbon and promote good governance practices.

The Compartment does not have a reference benchmark designated for the purpose of attaining the environmental or social characteristics it promotes.

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Attainment of the environmental characteristics being promoted by the Compartment is measured on a qualitative basis by the ESG Committee of the Management Company (the “ESG Committee”), by considering the impact of engagement on carbon emissions in the power generation sector. The Management Company’s ESG Committee reviews carbon emissions data for the power generation sector as a whole and the carbon emissions data for its investments to determine the attainment of transition away from carbon in the power generation sector.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable given that the Compartment does not intend to make sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A

**Principal adverse impacts**

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No



### What investment strategy does this financial product follow?

The Compartment is actively managed (the management team has discretion over the composition of its portfolio) and uses a benchmark for performance comparison purposes only.

The Compartment does not follow a best-in-class selection approach to integrate ESG factors.

The ESG committee (which is in place within the Management Company) regularly reviews the Compartment’s environmental characteristics relative to an index, namely the Stoxx Europe 50 Total Return (SX5T) in order to compare/measure the ESG performance of the Compartment’s ESG policy. However, this index is not a reference benchmark designated for the purpose of attaining the environmental characteristics the Compartment promotes.

The investment strategy used by the Compartment in the promotion of E/S characteristics includes the following:

- (i) An exclusion policy: The Compartment will not invest in issuers related to (i.e. companies which are taking part in or expanding in) greenfield or brownfield thermal coal mines, coal plants, and related infrastructure (including completely new sites or sites with previous developments which have been shut down).

To this end the Management Company implements a restricted list which excludes companies who have been identified by a third-party provider as investing in greenfield or brownfield thermal coal mines, coal plants and related infrastructure. Any expansion identified by the independent third-party provider

#### The investment strategy

guides investment decisions based on factors such as investment objectives and risk tolerance.

excludes the company from investment by the Compartment. Once placed on the restricted list, investment in a company is prohibited and enforced with a lock on the Management Company's order management system which prevents trading.

For further information on what is meant exactly by "expansion/expanding", please refer to the following webpage which describes the methodology used by the third-party provider in this respect (knowing that only the section titled "Expansion Criteria" is applied with respect to the Compartment): <https://www.coalexit.org/methodology>

At the date of this Prospectus, companies which will for example be excluded from investment include (*inter alia*):

- Companies planning to develop new coal-fired power capacity of at least 100 MW;
  - Companies engaged in coal exploration activities or planning to develop new coal mines or extending existing coal mines; and
  - Companies involved in the development or expansion of coal transportation assets or other coal-related infrastructure such as coal-to-gas facilities.
- (ii) An engagement policy: the Compartment will engage with companies having existing exposure to coal to encourage them to transition to cleaner fuels.

In this respect, the Management Company reviews ESG scores provided by an external provider in respect of its most material investments as well as at overall portfolio level and looks at overall carbon emissions. These ESG scores, together with other metrics, can be used to identify areas that require improvement. Where relevant, these metrics are used to trigger engagement with an issuer.

In the event of a material negative change with a particular investment following investment by the Compartment and relating to the environmental characteristics promoted by the Compartment, the ESG committee will flag the change to the investment committee who will in turn determine how best to either liquidate the position, if appropriate, or where applicable, take action to remediate the situation through active engagement with the issuer, either independently or in collaboration with fellow shareholders. This determination will be made in accordance with the Management Company's engagement policy which is available on the Management Company's website. In summary, where the Management Company identifies concerns or opportunities that could promote the transition away from carbon and maintain shareholder value, the Management Company will typically engage with the company by seeking a meeting with their management. Where possible and permitted by legislation, the Management Company may seek to engage with companies collaboratively with other investors in order to augment the impact of its engagement.

The Compartment uses exclusion lists in order to prevent investment in issuers which are not aligned with the ESG characteristics of the Compartment. These exclusion lists are populated using data from third-party ESG data providers. The successful promotion of the Compartment's ESG characteristics therefore depends significantly on the ESG factors considered and research methodologies employed by its third-party ESG data providers. The methodologies and criteria



used by the third-party ESG data providers are continuously evolving and subject to ongoing refinement. The Management Company does not undertake to, and does not, independently test or verify the factors used or data provided by such data providers.

It is possible that the Compartment may invest in securities of companies that are later determined to be inconsistent with the ESG characteristics promoted by the Compartment either because relevant information about that company was not known or was inaccurate at the time of investment or because the third-party ESG data and research firm now considers additional information that causes the company to no longer meet the investment criteria.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Compartment will not invest in issuers related to greenfield or brownfield thermal coal mines, coal plants, and related infrastructure (including completely new sites or sites with previous developments which have been shut down).

This element is binding as companies involved in greenfield or brownfield thermal coal mines are placed on an exclusion list which prohibits investment in the restricted companies. Investments in greenfield and brownfield coal mines, coal plants and related infrastructure are considered inconsistent with the Compartment's aim of assisting the transition away from carbon in the energy sector.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable as there is no commitment by the Compartment to reduce the scope of investments by a minimum rate.

● ***What is the policy to assess good governance practices of the investee companies?***

The Compartment's investment process examines the governance structures within a company and the actions of insiders. Assessing a company's corporate governance practices is a key part of the Management Company's investment process as companies which are well governed and operate transparently are best placed to increase shareholder value over time.

The key elements of the Good Governance Assessment Policy are outlined below:

The Management Company uses an industry standard third-party data provider to provide systematic governance ratings on corporate issuers. Where a corporate issuer is identified as falling below the "good governance practices" standard, the corporate issuer is added to an exclusion list preventing any investment in the corporate issuer's securities.

In addition to the systematic governance rating, for the Compartment's material fundamental positions, investment analysts are responsible for assessing governance

**Good governance**

practices include sound management structures, employee relations, remuneration of staff and tax compliance.

and the ongoing monitoring of the governance practices of the companies in which they invest.

Where a company has governance issues identified by the third-party data provider and the Management Company conducts its own in-depth analysis and concludes that the issues identified do not affect the good governance practices of the corporate issuer, the Management Company’s own in-house analysis will prevail and investment in the corporate issuer’s securities will not be restricted. The analysis and any related engagement with the corporate issuer is documented.



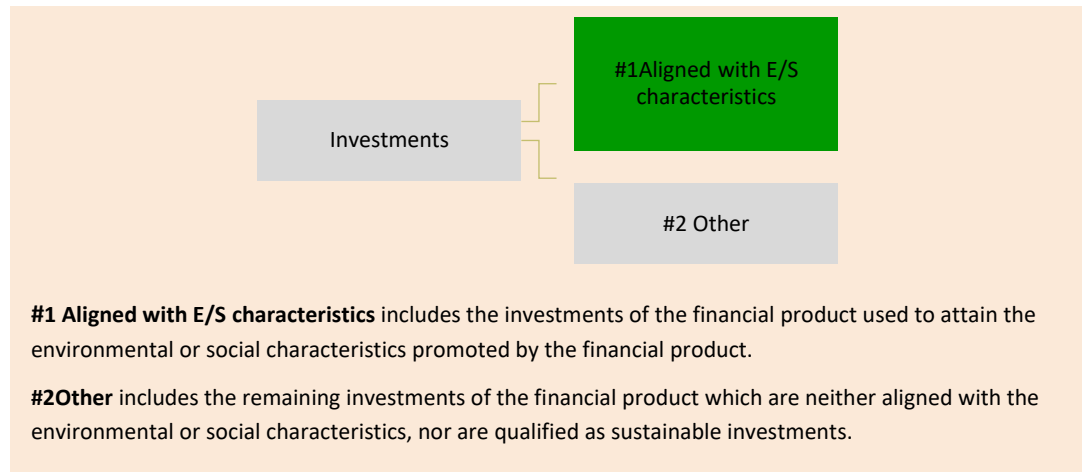
## What is the asset allocation planned for this financial product?

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



Using a risk calculation, the Management Company commits to the following asset allocation:

#1 Aligned with E/S characteristics: minimum of 51%

#2 Other: maximum of 49%

The Management Company expects the asset allocation to “#1 Aligned with E/S characteristics” to be significantly above the minimum commitment provided. The Management Company needs to maintain flexibility to manage assets in the best interests of its investors particularly during times of market stress. Therefore, actual asset allocation to “#1 Aligned with E/S characteristics” will fluctuate depending on market conditions and strategic asset allocation.

The purpose of the investments falling under ‘other’ including a description of any minimum environmental or social safeguards, is set out below.

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Compartment uses derivatives to gain exposure to investment ideas and therefore may use derivatives to attain the characteristics promoted by the Compartment. In addition, the Compartment also uses derivatives for hedging purposes.

Overall, the Compartment gains exposure to investment ideas using a wide variety of financial instruments, including derivatives. The attainment of environmental characteristics promoted by the Compartment is therefore assessed on the underlying

exposure to investee companies, regardless of the instruments used to attain the exposure.



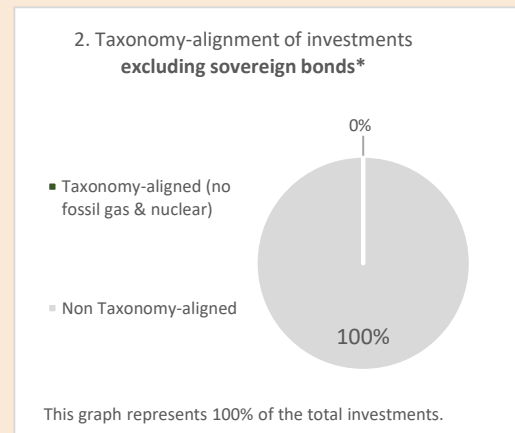
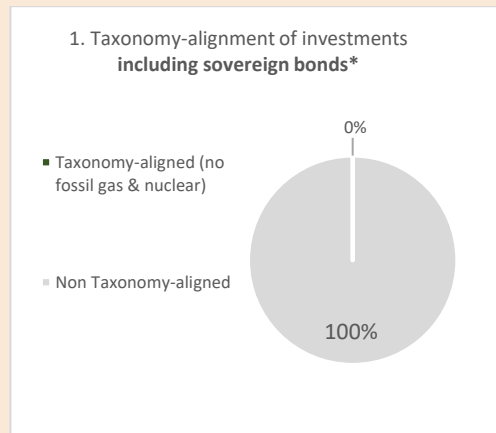
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Compartment promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. Accordingly, it should be noted that the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

### ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

- Yes
- In fossil gas     In nuclear energy
- No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

0%. There is no commitment to a minimum proportion of investments in transitional and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable given that the Compartment does not intend to make sustainable investments.



**What is the minimum share of socially sustainable investments?**

Not applicable given that the Compartment does not intend to make socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Compartment may invest as part of a quantitative investment strategy which is designed to exploit short term moves and temporary arbitrage opportunities. Trading is conducted in baskets often across hundreds of individual securities. While integration of ESG criteria is not possible for the investments, quantitative strategies are nonetheless restricted from trading in issuers listed in the Management Company’s controversial weapons excluded list.

The Compartment may invest in cash deposits and money market instruments such as treasury bills and commercial paper in accordance with its investment policy.


The Compartment may invest in interest rate derivatives, sovereign bonds, commodities, private loans and futures for which ESG data is not deemed relevant or available.

As a minimum social safeguard, all investments included under “#2 Other” are subject to the Management Company’s controversial weapons excluded list.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A

 **Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://www.boussard-gavaudan.com/en/p/24/esg-policy>

Further information on the UNPRI is available from <https://www.unpri.org/>

